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Report of Proceedings

from 12 to 16 February 1979

European Centre, Luxembourg

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NOTE TO READER

Appearing at the same time as the English edition are editions in the five other official languages of the Communities : Danish, German, French, Italian and Dutch. The English edition contains the original texts of the interventions in English and an English translation of those made in other languages. In these cases there are, after the name of the speaker, the following letters, in brackets, to indicate the language spoken : (*DK*) for Danish, (*D*) for German, (*F*) for French, (*I*) for Italian and (*NL*) for Dutch.

The original texts of these interventions appear in the edition published in the language spoken.

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IN THE CHAIR : MR COLOMBO

President

(The sitting was opened at 5.20 p.m.)

President. The sitting is open.

1. Resumption of the session

President. — I declare resumed the session of the European Parliament adjourned on 19 January 1979.

2. Petitions

President. — I have received the following petitions :

— from Mr Gallacher, on behalf of the *Stichting Kritisch Faunabeheer* (the Netherlands), Coördinatie

Comité voor de Bescherming van Vogels (Belgium), Irish Wildbird Conservancy (Ireland), and la Ligue Française pour la protection des oiseaux (France), a petition on assuring the survival of Lapwings

— from the Shop Stewards Committee for Natural Gas for Northern Ireland, a petition on natural gas for Northern Ireland.

These petitions have been entered under No 28/78 and No 29/78 in the register provided for in Rule 48 (2) of the Rules of Procedure and, pursuant to paragraph 3 of the same rule, referred to the Committee on the Rules of Procedure and Petitions.

3. Documents received

President. — Since the session was adjourned I have received the following documents :

(a) from the Council, requests for an opinion on the following Commission proposals :

- for a directive on the weights and certain other characteristics (not including dimensions) of road vehicles used for the carriage of goods (Doc. 575/78)

which has been referred to the Committee on Regional Policy, Regional Planning and Transport as the committee responsible, and to the Committee on Economic and Monetary Affairs for its opinion ;

- for a regulation introducing Community measures for the prevention of classical swine fever (Doc. 577/78)

which has been referred to the Committee on Agriculture ;

- for

I. a regulation on the management of food aid ;

II. a regulation amending Regulation (EEC) Nos 2052/69, 1703/72 and 2681/74 on Community financing of expenditures incurred in respect of the supply of agricultural products as food aid, and repealing Decision 72/335/EEC (Doc. 583/78)

which has been referred to the Committee on Development and Cooperation as the Committee responsible, and to the Committee on Budgets for its opinion ;

- for a regulation defining the conditions under which a person may be permitted to make a customs declaration (Doc. 609/78)

which has been referred to the Committee on Economic and Monetary Affairs ;

- for a decision amending Decision 76/577/EEC regarding the inclusion of certain disaster-stricken communes in Italy among the mountain areas, within the meaning of Directive 75/268/EEC on mountain and hill farming and farming in certain less-favoured areas (Doc. 610/78)

which has been referred to the Committee on Agriculture as the committee responsible, and to the Committee on Regional Policy, Regional Planning and Transport for its opinion ;

- on the fixing of prices for certain agricultural products and on certain related measures (Doc. 613/78)

which has been referred to the Committee on Agriculture as the committee responsible, and to the committee on the Environment, Public Health and Consumer Protection and the Committee on Development and Cooperation for their opinions ;

- opening, allocating and providing for the administration of a Community tariff quota for certain wines having a registered designation of origin, falling within subheading ex 22.05 C of the Common Customs Tariff, originating in Morocco (1979/80) (Doc. 614/78)

which has been referred to the Committee on External Economic Relations as the committee responsible, and to the Committee on Development and Cooperation for its opinion ;

- for a directive on information to be published on a regular basis by companies whose transferable securities are admitted to official stock exchange listing (Doc. 616/78)

which has been referred to the Legal Affairs Committee as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion ;

- for a directive amending Directive 71/316/EEC on the approximation of the laws of the Member States relating to common provisions for both measuring instruments and methods of metrological control (Doc. 617/78)

which has been referred to the Committee on Economic and Monetary Affairs ;

- for a decision adopting a European Economic Community research and development programme in the agricultural research sector consisting of four multiannual concerted projects (Doc. 618/78)

which has been referred to the Committee on Agriculture as the committee responsible and to the Committee on Budgets for its opinion ;

- for a directive amending the Directives laying down the revised Basic Safety Standards for the health protection of the general public and workers against the dangers of ionizing radiation (Doc. 619/78)

which has been referred to the Committee on the Environment, Public Health and Consumer Protection ;

- for a directive establishing measures for the implementation of Directive 77/489/EEC on the protection of animals during international transport (Doc. 620/78)

which has been referred to the Committee on Agriculture ;

(b) from the committees, the following reports :

- report by Lord Kennet, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on the proposal from the Commission of the European Communities to the Council (Doc. 269/78) for a directive on the methods of measurement and frequencies of sampling and analysis of the parameters of the quality required of surface water intended for the abstraction of drinking-water in the Member States (Doc. 580/78) ;
- report by Mr Noè, on behalf of the Committee on Energy and Research, on the proposal from the Commission of the European Communities to the Council (Doc. 508/78) concerning the research and training programme (1979-1983) for the European Atomic Energy Community in the field of controlled thermo-nuclear fusion (Doc. 581/78) ;
- report by Mr H.-W. Müller, on behalf, of the Committee on Energy and Research, on the proposal from the Commission of the European Communities

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from the Commission of the European Communities to the Council (Doc. 381/78) for a regulation on Community financial measures for intra-Community trade in power-station coal (Doc. 582/78);

- report by Mr Johnston, on behalf of the Political Affairs Committee, on the expulsion from Malta of Mr von Hassel (Doc. 584/78);
- report by Mr Laurain, on behalf of the Committee on Social Affairs, Employment and Education, on the communication from the Commission of the European Communities to the Council concerning the social aspects of the iron and steel policy (Doc. 603/78);
- report by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission of the European Communities to the Council (Doc. 392/78) for a regulation on the adjustment of capacity for the carriage of goods by road for hire or reward between Member States (Doc. 604/78);
- report by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on the proposal from the Commission of the Communities to the Council (Doc. 553/78) for a regulation amending Regulation (EEC) No 3164/76 on the Community quota for carriage of goods by road between Member States (Doc. 605/78);
- report by Mr Pisoni, on behalf of the Committee on Agriculture, on the proposal from the Commission of the European Communities to the Council (Doc. 565/78) for a regulation amending Regulation (EEC) No 816/70 laying down additional provisions for the common organization of the market in wine (Doc. 606/78);
- report by Mr Hughes, on behalf of the Committee on Agriculture, on the common fisheries policy (Doc. 608/78);

(c) the following oral questions with debate :

- by Mr Bordu, Mr Ansart, Mr Eberhard, Mr Porcu and Mr Soury to the Foreign Ministers meeting in political cooperation, on the resurgence of anti-Semitism and neo-Nazism (Doc. 585/78);
- by Mr Albers, Mr Seefeld, Mr Hoffmann, Mr Delmotte and Mr Kavanagh to the Commission, on inland waterways (Doc. 586/78);
- by Mr Jahn, Mr Martinelli, Mr van Aerssen, Mr Bersani, Mr Früh, Mr Vandewiele, Mr Dewulf, Mr Ney, Mr Wawrzik, Mr Mont, Mr Müller-Hermann, Mr Tolman, Mr Schwörer and Mr Klepsch to the Commission, on relations between the European Community and the ASEAN States (Doc. 587/78);
- by Mr Jahn, Mr Martinelli, Mr van Aerssen, Mr Bersani, Mr Früh, Mr Vandewiele, Mr Dewulf, Mr Ney, Mr Wawrzik, Mr Mont, Mr Müller-Hermann, Mr Tolman, Mr Schwörer and Mr Klepsch to the Council on relations between the European Community and the ASEAN States (Doc. 588/78);
- by Mr Ansquer, on behalf of the Group of European Progressive Democrats, to the Council, on transposing the rules of the common agricultural policy to industrial policy : a directive laying down industrial guidelines (Doc. 589/78);

— by Mr Bordu and Mr Sandri, on behalf of the Communist and Allies Group, to the Foreign Ministers meeting in political cooperation, on economic support for the racist regime of South Africa (Doc. 590/78);

- oral question with debate by Mr Dankert, on behalf of the Socialist Group, to the Commission on, imports of uranium from South Africa (Doc. 592/78);
- oral question with debate by Mr Seefeld, on behalf of the Committee on Regional Policy, Regional Planning and Transport, to the Commission, on a European driving licence (Doc. 593/78);
- oral question with debate by Mr Seefeld, on behalf of the Committee on Regional Policy, Regional Planning and Transport, to the Council, on a European driving licence (Doc. 594/78);
- oral question with debate by Mr Cunningham, on behalf of the Committee on Development and Cooperation, to the Council, on the implementation of bilateral agreements on textile imports into the Community (Doc. 595/78);
- oral question with debate by Mr Howell, Mr Corrie, Lord St. Oswald, Mr Jakobsen and Mr Normanton, to the Commission, on flood relief in south-east England (Doc. 597/78);
- oral question with debate by Mr Pintat, on behalf of the Liberal and Democratic Group, to the Commission on opinion polls on direct elections (Doc. 598/78);
- oral question with debate by Lord Bessborough, on behalf of the European Conservative Group, to the Commission, on relations between the People's Republic of China and the European Community (Doc. 599/78);
- oral question with debate by Mr Klepsch and Mr Pucci, on behalf of the Christian-Democratic Group (EPP Group), to the Commission on southern Italy (Doc. 601/78);
- oral question with debate by Mr Klepsch, on behalf of the Christian-Democratic Group (EPP Group), to the Foreign Ministers meeting in political cooperation, on the situation in the Far East and in Africa (Doc. 602/78);
- oral question with debate by Mr Spinelli, Mr Sandri, Mr Leonardi, Mrs Squarcialupi and Mr Mascagni, to the Commission, on financial contributions for the 1979 budget (Doc. 611/78) (withdrawn);
- oral question with debate by Mr Prescott, on behalf of the Socialist Group, to the Commission, on Mr Adams and Hoffmann-La Roche (Doc. 612/78);

(d) the following oral questions without debate :

- oral question without debate by Mr Seefeld to the Council on the Community quota for the carriage of goods by road (Doc. 591/78);
- oral question without debate by Mrs Squarcialupi and Mr Veronesi to the Commission on more rational productive cycles for titanium dioxide and use of 'red mud' (Doc. 596/78);
- oral question without debate by Mrs Dahlerup to the Commission on gynaecological examinations by

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immigration authorities in the United Kingdom (Doc. 600/78);

- (e) for Question Time on 13, 14 and 15 February 1979 (Doc. 607/78), pursuant to Rule 47 (A) of the Rules of Procedure, oral questions by Mrs Dunwoody, Mr Normanton, Mr Albers, Mr Edwards, Mr Yeats, Mr Scott-Hopkins, Mr Brosnan, Mr Brugh, Mr Spicer, Mr Nolan, Mr Ansquer, Mr Prescott, Mr Spinelli, Sir Geoffrey de Freitas, Lord Bruce, Mr Corrie, Mr Brown, Mrs Squarcialupi, Lady Fisher, Mr Lagorce, Mr McDonald, Mr Kavanagh, Mr Osborn, Lord Kennet, Lord Bethell, Mr Nyborg, Mr Stetter, Mrs Ewing, Mr Herbert, Mr Power, Mr De Clerq, Mr Glinne, Mr Howell, Sir Geoffrey de Freitas, Mr Ansquer, Mr Hoffmann, Mr Brown, Mr Fellermaier, Mr Dankert, Mr Seefeld, Lord Bruce, Mr Radoux, Mr Osborn, Mr Prescott, Mr Edwards, Mrs Ewing, Mr Nolan, Mr Soury, Mr Hamilton, Mrs Walz, Mr Eberhard and Mr Kavanagh;

- (f) from the Commission:

- a request for an opinion on the draft by the Commission of the European Communities of a decision concerning coal and coke for the iron and steel industry of the Community (Doc. 576/78)

which has been referred to the Committee on Energy and Research as the committee responsible and to the Committee on Budgets for its opinion;

- the Twelfth General Report from the Commission of the European Communities on the agricultural situation in the Community in 1978 (Doc. 578/78)

which has been referred to the Committee on Agriculture.

4. Referral to committee

President. — The proposal from the Commission to the Council for a regulation on Community aid for industrial restructuring and conversion operations (Doc. 456/78), receipt of which was announced at the sitting of Monday, 11 December 1978, and which was referred to the Committee on Economic and Monetary Affairs as the committee responsible and to the Committee on Social Affairs, Employment and Education for an opinion, has now been referred to the Committee on Budgets for its opinion.

5. Texts of treaties forwarded by the Council

President. — I have received from the Council certified true copies of the following documents:

- agreement in the form of an exchange of letters between the European Economic Community and the Republic of Tunisia concerning the import into the Community of preserved fruit salads originating in Tunisia;
- agreement in the form of an exchange of letters between the European Economic Community and

the Kingdom of Morocco concerning the import into the Community of preserved fruit salads originating in Morocco;

- agreement in the form of an exchange of letters between the European Economic Community and the People's Democratic Republic of Algeria on the importation into the Community of tomato concentrates originating in Algeria;
- agreement in the form of an exchange of letters between the European Economic Community and the People's Democratic Republic of Algeria concerning the import into the Community of preserved fruit salads originating in Algeria;
- agreement in the form of an exchange of letters extending and amending, for the year 1977, the convention between the European Economic Community and the United Nations relief and works agency for Palestine refugees (UNRWA);
- agreement in the form of an exchange of letters extending and amending until 30 June 1978 the Convention between the European Economic Community and the United Nations relief and works agency for Palestine refugees (UNRWA);
- agreement in the form of an exchange of letters between the European Economic Community and the Kingdom of Norway;
- agreement in the form of an exchange of letters between the European Economic Community and the Portuguese Republic regarding prepared or preserved tomatoes falling within subheading 20.02 C of the Common Customs Tariff;
- agreement in the form of an exchange of letters relating to Article 2 of Protocol No 8 to the agreement between the European Economic Community and the Portuguese Republic.

These documents have been deposited in the archives of the European Parliament.

6. Authorization of reports

President. — Pursuant to Rule 38 of the Rules of Procedure I have authorized the following committees to draw up the following reports;

- *Committee on Economic and Monetary Affairs*:
 - a report on the European Monetary System as an element of an international monetary system
- *Committee on Social Affairs, Employment and Education*:

- a report on the communication from the Commission to the Council on the social aspect of the iron and steel policy

- *Committee on Agriculture*:

- report on the revision of Community directives relating to agricultural structures

- a report on the conclusions to be drawn from the outcome of the seminar of the Committee on Agriculture held in Echternach from 25 to 27 October 1978.

At the request of the Political Affairs Committee, that committee has been appointed, pursuant to Rule 38

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(3) of the Rules of Procedure, to draw up an opinion on :

- the recommendations adopted at the last meeting of the Joint Parliamentary Committee of the EEC-Turkey Association ;
- the recommendations adopted at the last two meetings of the Joint Parliamentary Committee of the EEC-Greece Association ;
- the results of the visit by a European Parliament Delegation to Japan in October 1978,

on which subject the Committee on External Economic Relations has been authorized to draw up reports.

7. Order of business

President. — The next item is the order of business. At its meeting of 18 January 1979 the enlarged Bureau prepared a draft agenda which has been distributed.

The Committee on Energy and Research has asked that, pending receipt of the opinion of the Committee on Budgets, the Noè report on controlled thermo-nuclear fusion, scheduled to be dealt with on Thursday, 15 February 1979, be postponed to the March part-session.

As there are no objections, that is agreed.

Mr Ansquer has requested that the oral question on industrial policy which he tabled on behalf of the Group of European Progressive Democrats and which was scheduled to be dealt with on Wednesday, 14 February, be postponed to the March part-session.

As there are no objections, that is agreed.

I propose that a joint debate be held on the oral question by Mr Vitali, Mr Spinelli, Mr Mascagni, Mr Sandri and Mr Pistillo on Calabria (Doc. 532/78) and the oral question by Mr Klepsch and Mr Pucci on southern Italy (Doc. 601/78), both of which are scheduled to be dealt with this afternoon.

As there are no objections, that is agreed.

With regard to the debate on the statement by the President of the Commission scheduled for Tuesday, 13 February, I propose, in agreement with the chairmen of the political groups, that the agenda for the sittings of 13 and 15 February be amended as follows :

Tuesday, 13 February

- Presentation by the President of the Commission of the Twelfth General Report (1978) and of the annual programme of work of the Commission for 1979, followed by statements by the spokesmen of the political groups ;
- Oral question by Mrs Krouwel-Vlam on safety of medical equipment ;
- Oral question by Mr Pintat on opinion polls on direct elections ;
- Oral question by Mr Prescott on Mr Adams and Hoffmann-La Roche ;
- Report by Mr Hughes on fisheries policy.

I also propose that Question Time be held at 3 p.m. and Voting Time at 3.45 p.m. on Tuesday afternoon.

Thursday, 15 February

- continuation of debate on the statement by the President of the Commission ;
- report by Mr Laurain on the social aspects of the iron and steel policy.

The remainder of the agenda for the sitting should remain unchanged except that Mr Noè's report on thermo-nuclear fusion has been held over until the March part-session.

I call Mr Prescott.

Mr Prescott. — Mr President, although we have to take account of the difficulties the Bureau faces regarding the agenda, I feel that perhaps some explanation is due as to why this change is being made in the order of debate. I wish to make a personal point. Everyone has to have an opportunity to have their item debated. But the debate on Mr Adams and Hoffmann-La Roche has been put off twice because of the Bureau's difficulties regarding debating time. But at the same time we have found that topics tabled by other groups have been scheduled at the very popular times of Tuesday and Wednesday. Now you have suggested to us that Mr Jenkins speech will be followed by a debate, that we will then have the question on medical safety and hygiene, then Question Time, and then the matter of opinion polls. My point is basically quite simple : why should this item by the Liberal and Democratic Group take precedence over the question put down, in the name of my group, on Mr Adams and Hoffmann-La Roche ? Quite simply, why should it be that way about ?

President. — Mr Prescott, your question is the third item on the agenda for tomorrow's sitting, immediately after the principal item of the day, President Jenkins' report on the activities of the Communities.

I therefore feel that you have little reason to complain of the place assigned to your question.

I call Mr Klepsch.

Mr Klepsch. — (D) Mr President, with your permission I should like to tell Mr Prescott why I am opposed to his amendments and why we made no allowance for them in the Bureau. The Pintat question was the first question on Thursday, item No 1 on the Agenda. In order to allocate the scheduled debate to Thursday, we naturally had to provide time on Thursday. The Liberal and Democratic Group consented to our transferring the Pintat question from Thursday to Tuesday and, purely on grounds of the available time, we did not put it before the Krouwel-Vlam question because the Krouwel-Vlam question would not take more than the morning and that would make the Pintat question the first item after the lunch break, the agenda thereafter continuing as set down in the order paper. If we had had the wide-ranging debate on Tuesday, we should undoubtedly have been much later in reaching Hoffmann-Laroche.

Klepsch

You must appreciate that this was the subject of an inter-group agreement. Instead of being item No 1 on Thursday, Mr Pintat's question is now No 3 on Tuesday and you can rest assured that this has not prejudiced the position of your question. This is why I am against any change and also because others could get up if they thought they had been placed at a disadvantage. We did the best we could on this matter and we were all in agreement.

President. — I call Mr Meintz.

Mr Meintz. — (F) Mr President, Mr Klepsch has, precisely and factually, said what I wanted to say on behalf of my group, and I have nothing to add.

President. — I call Mr Brown.

Mr Brown. — Mr President, I don't accept that that is a reasonable explanation. What my colleague argued was that his report has been outstanding for a considerable time, whereas the item on the opinion poll has not. The real question that I think has to be answered is why is it that, when the Bureau had arranged this particular item to be taken on Thursday, it can now be transferred to Tuesday in the place of an item which was already outstanding. I don't think it is sufficient to say, as Mr Klepsch has said, that this is all right. I am waiting to hear why this item could not be taken after Mr Prescott's question.

President. — Mr Brown, I refrained from going into details when introducing the amendments to the agenda so as not to prolong the discussion. I can however say that a political group — on whose views you are commenting — requested, with the agreement of the other groups, that the Commission's report should be debated in two parts: at Tuesday's sitting, along with the statement by President Jenkins, and at Thursday's sitting, with a reply by the representatives of the political groups.

Since part of the Commission's report has been held over until Thursday, we brought forward to Tuesday the first item on Tuesday's agenda, namely Mr Pintat's question. However, since it is the centre of Tuesday's debate, adequate consideration will be given to Mr Prescott's question.

I call Mr Prescott.

Mr Prescott. — Mr President, I am not entirely satisfied, but I withdraw my request, because the House has to continue with its business.

President. — I call Mr Dewulf.

Mr Dewulf. — (NL) Mr President, can the ordinary Members of this Parliament be informed why the important debate on Mr Jenkins' statement is to be

suspended and resumed on Thursday? That is an unusual way to proceed. It is in any case quite wrong for our agenda to be constantly changed.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) I trust Mr Dewulf intends no criticism of himself or of the House by his statement that this was a wrong decision. As you know, Mr Dewulf (and you can go much further back for the 1979 procedure on sessions), it is a tradition of this Parliament that the Commission's Annual Report and the statement on the Programme of work should both be introduced in February and that there should then be a break which varies between 24 or 48 hours in order to give the groups a chance to acquire the necessary information and material to prepare themselves for what the President of the Commission proposes to make the Commission do in the forthcoming year. Accordingly, in conjunction with the President of Parliament, the six group chairmen, in full knowledge of the statement on the programme of work and of a supplementary memorandum which had been submitted in the meantime, agreed to make provision for the groups to prepare themselves thoroughly and, with this in view, it was suggested that there should be a preliminary debate tomorrow for a quick assessment of President Jenkins' Address. But the intricacies of agricultural policy, energy policy and, I feel sure, Mr Dewulf, development policy, and so on will be fully debated as soon as the various spokesmen are able to establish what their groups want them to say. In other words, the situation calls for quality rather than speed.

President. — I consult the Assembly on the proposed amendments to the agenda.

As there are no objections, that is agreed.

I call Mr Albers.

Mr Albers. — (NL) Mr President, I should like my question which has been placed on Friday's agenda to be deleted because the same subject was already dealt with during our January part-session.

President. — I note, therefore, that Mr Albers oral question on inland waterways has been withdrawn.

The order of business will therefore be as follows:

This afternoon until 8 p.m.:

- Procedure without report;
- Statement by the Commission on action taken on the opinions and proposals of Parliament;
- Delmotte report on the European Regional Development Fund;
- Joint debate on two oral questions to the Commission, one on Calabria, the other on southern Italy;
- Bruce report on shipping.

President*Tuesday, 13 February 1978**10 a.m. and afternoon until 8 p.m.*

- Possibly, continuation of the previous day's agenda ;
- Presentation of the Twelfth General Report (1978) and the annual programme of work of the Commission for 1979, followed by statements by the spokesmen of the political groups ;
- Oral question with debate to the Commission on Community safety control of medical equipment ;
- Oral question with debate to the Commission on opinion polls on direct elections ;
- Oral question with debate to the Commission on Mr Adams and Hoffmann-La Roche ;
- Hughes report on the common fisheries policy.

3 p.m.

- Question Time (questions to the Commission).

3.45 p.m.

- Voting time.

*Wednesday, 14 February 1979**10 a.m. and afternoon until 8.00 p.m. (possibly 9 p.m.)*

- Oral questions with debate to the Commission and the Council on relations between the European Community and the ASEAN States ;

- Oral question with debate to the Council on textile imports into the Community.

The oral question to the Council on transposing the rules of the CAP to industrial policy had been postponed to the March part-session.

- Oral questions with debate to the Commission and the Council on a European driving licence ;
- Oral question without debate to the Council on the Community quota for the carriage of goods by road ;
- Oral question with debate to the Foreign Ministers on economic support for the South African regime ;
- Oral question with debate to the Foreign Ministers on anti-Semitism and neo-Nazism ;
- Oral question with debate to the Foreign Ministers on the situation in the Far East and in Africa.

3 p.m.

- Question Time (Questions to the Council and Foreign Ministers).

4.30 p.m.

- Voting time.

*Thursday, 15 February 1979**10 a.m. and afternoon until 8 p.m. with a possible resumption at 9 p.m.*

- Possibly, continuation of Tuesday's agenda ;
- Continuation of the debate on the statement by the President of the Commission on the Twelfth General Report (1978) and the annual programme of work of the Commission for 1979 ;
- Laurain report on the social aspects of the iron and steel policy ;
- Johnston report on the expulsion from Malta of Mr von Hassel ;
- Martinelli report on economic and trade relations between the EEC and Australia ;

- Oral question with debate to the Commission on relations between China and the Community.

The Noè report on thermonuclear fusion has been postponed to the March part-session.

- H.W. Müller report on intra-Community trade in power-station coal ;

- Oral question with debate to the Commission on imports of uranium from South Africa ;

- Oral question with debate to the Commission on flood relief in south-east England.

3 p.m.

- Question Time (questions to the Commission).

3 p.m.

- Voting time.

*Friday, 16 February 1979**9 a.m.*

- Procedure without report ;

- Voting time ;

- Possibly, continuation of previous day's agenda ;

- Pisoni report on the organization of the market in wine ,

- Kennet report on the abstraction of drinking-water in the Member States ;

- Albers report on the adjustment of capacity for the carriage of goods by road ;

- Albers report on the Community quota for the carriage of goods by road.

The oral question with debate on inland waterways has been withdrawn from the agenda.

- Oral question without debate to the Commission on titanium dioxide ;

- Oral question without debate to the Commission on tobacco ;

- Oral question without debate to the Commission on gynaecological examinations by immigration authorities in the United Kingdom.

End of sitting.

- Voting time.

As there are no objections, the agenda is thus agreed.

8. Limitation of speaking time

President. — I propose that the House limit as follows speaking time on all reports and motions for resolution on the agenda :

- 15 minutes for the rapporteur and for one speaker on behalf of each group ;

- 10 minutes for other speakers.

Are there any objections ?

That is agreed.

Pursuant to Rule 28 of the Rules of Procedure I propose to allocate speaking time for the debate on the Twelfth General Report on the Activities of the European Communities in 1979 and the Commission's annual programme of work for 1979 as follows :

President

Commission :	60 minutes
Socialist Group :	55 minutes
Christian-Democratic Group (EPP) :	45 minutes
Liberal and Democratic Group :	22 minutes
European Conservative Group :	18 minutes
Communist and Allies Group :	18 minutes
Group of European Progressive Democrats :	17 minutes
Non-attached Members :	5 minutes

These speaking times include, of course, speeches made tomorrow immediately after the Commission's statement.

9. Procedure without report

President. — Pursuant to Rule 27A of the Rules of Procedure the following Commission proposal has been placed on the agenda for this sitting for *consideration without report* :

- proposal from the Commission to the Council for a directive amending Directive 77/504/EEC on pure-bred breeding animals of the bovine species (Doc. 564/78)

Which has been referred to the Committee on Agriculture.

Unless any Member asks, in writing, leave to speak on this proposal or amendments are tabled to it before the opening of the sitting on Friday, 16 February 1979, I shall declare this proposal to be approved.

10. Organization of the work of the part-session

President. — I would remind the House that, on a proposal from the enlarged Bureau, it has been agreed that, to improve the organization and conduct of plenary sittings :

1. There should be a break of two hours following the morning sittings. This might be shortened if necessary, but should not be less than one and a half hours.
In principle no meetings might be held during this break.
2. Afternoon sittings on Monday, Tuesday and Wednesday should be closed by 8.00 p.m. although Wednesday's sitting might be continued until 9.00 p.m. to take account of the presence of the Members of the Council.
3. In principle, a night sitting would be scheduled for Thursday. If a night sitting was held, the afternoon sitting would be suspended at 8.00 p.m. and resumed at 9.00 p.m.
4. No meetings might be held in the evening after the sitting had closed other than for exceptional reasons notified sufficiently in advance.
5. On the draft agenda for the part-session the first item on Tuesday's agenda should be : 'Possibly, continuation of Monday's agenda'.

6. The first items on Thursday's agenda should be the items that had not been taken on Tuesday and, if necessary, Wednesday.

7. Furthermore, if necessary, the Chair might reduce speaking time after 7 p.m.

I would also remind the House that these arrangements were approved by Parliament at the last part-session.

I call Lord Bruce.

Lord Bruce of Donington. — Mr President, I am a little troubled about point No 7 which you read out :

Furthermore, if necessary the Chair may reduce speaking time after 7 p.m.

It may well be, Mr President, that these matters have been agreed between the groups, but the back-benchers as such have a vital interest in this matter.

Now, Mr President, it may well be that, as the evening wears on, those who have the honour to be in the Chair and whom it is our privilege to sit under feel themselves a little constrained, either because of a dinner engagement or because of excessive fatigue ; indeed, since the occupant of the Chair sits all the way through the debates, the particular subject under review may not be of particular interest to him. So I would respectfully suggest that to give the Chair this kind of discretion is an unnecessary restriction and, indeed, goes to amend the various debating arrangements that we already have and which are agreed at the commencement of the part-session. I am not suggesting for one moment, Mr President, that the Chair would exercise this right unreasonably, but I do think that where the issue is at doubt the rights of back-benchers should always be taken into account.

President. — The President is responsible for organizing the conduct of business. However, the Chair will certainly bear your views in mind.

I call Mr Fuchs.

Mr Fuchs. — Mr President, does the agreement still stand that items left over from today's agenda will be dealt with tomorrow at 10 a.m. even though Mr Jenkin's statement is scheduled for that time ?

President. — According to the arrangements we have adopted, items not dealt with at the sitting for which they are scheduled may be carried over to the following morning. However in view of the special importance of tomorrow's sitting, which will include the statement by the President of the Commission, we shall make every effort to complete this evening's agenda.

11. *Procedural motion*

President. — I call Mr Brown on a point of order.

Mr Brown. — Mr President, may I raise with you a matter which has caused me some concern. Once again it is a problem of the final day of the last part-session in January. Earlier in that week, Mr Pintat introduced Doc. 569/78 and sought the support of all the other political groups. There was a meeting of the groups to discuss this matter, following which we agreed to sign his motion, which then became Doc. 569/78/rev., on the understanding that two amendments tabled by Mr Noè would be withdrawn. In fact Mr Noè did indeed withdraw those amendments, but on Friday morning it was apparently not within the knowledge of the Chair that they had been withdrawn, and they were put to the House. Unfortunately, I and others were not able to be present on Friday morning; there were in fact only five parliamentarians present, and of those five two voted for the amendments, two voted against and the casting vote of the Chair was given in favour of those amendments. I want it clearly recorded in our minutes, Mr President, that had that been the situation, my own group would not have signed Doc. 569/78. I hope there will be some way that we can put this matter right because Mr Noè is quite clear that he wished to have those amendments withdrawn there by honouring the agreement we had reached together before signing that document. I do hope it is possible to find some arrangement to put the matter right.

President. — I call Mr Noè.

Mr Noè. — (I) Mr President, as I assured Mr Brown, I fully agree that we should stick to the text agreed, which excluded my amendments, at least in the full version. In this way the problem can be resolved by regarding the amendments as withdrawn.

President. — I think the problem can be summarized as follows: either the procedure was valid, in which case the vote stands or else it was invalid, in which case it may be objected to on procedural grounds. From what I have heard it seems to me that it was valid. If there has been misunderstanding between the groups, that is a political not a procedural matter. In that case the political groups should propose a new procedure or a new political and parliamentary instrument and the Chair will be quite prepared to consider this proposal.

I call Mr Meintz.

Mr Meintz. — (F) — Mr President, I should like to endorse the view expressed by several speakers that the vote was duly taken and remains valid, so I do not think that we can agree with Mr Noè just like that. If the vote on this subject did not satisfy those who drew

up the text, that is not the fault of the Chair, because the amendments had not been officially withdrawn. When I am in the Chair, I do not allow amendments to be put to the vote if there is any uncertainty or doubt whether or not they have been withdrawn. This was not the position officially and I thought that the amendments should be put to the vote.

However, I see no difficulty either for the committee responsible or the political groups because all they have to do is to rescind the resolution which was carried and vote to replace it with a motion which satisfies them.

President. — I fully agree with your view, Mr Meintz, that the vote of 19 January is valid.

The parliamentary group is fully entitled to amend what was decided, if it so wishes.

12. *Action taken by the Commission on the opinions and proposals of Parliament*

President. — The next item is the statement by the Commission on action taken on the opinions and proposals of Parliament.¹

As there are no requests to speak, this item is closed.

13. *Third annual report on the European Regional Development Fund*

President. — The next item is the report (Doc. 558/78) by Mr Delmotte, on behalf of the Committee for Regional Policy, Regional Planning and Transport on:

the Third annual report (1977) of the Commission of the European Communities on the European Regional Development Fund.

I call Mr Delmotte.

Mr Delmotte, rapporteur. — (F) Mr President and fellow members, may I draw your attention to the fact that there is a corrigendum to the report which I am submitting on behalf of the Committee on Regional Policy, Regional Planning and Transport. It is annexed to the report but does not affect its contents: all it does is to incorporate the table of contents which did not appear in the final version. The table is worth reading because it shows that the report broaches questions which are vital for the future working of the Regional Fund, such as the amount of its endowment, the additionality of contributions from the Fund with regard to national expenditure, information and publicity on aid from the Fund and on the purpose and content of the regional development programmes on which contributions from the Fund must be based and, finally, control over the efficient utilization of the resources allocated.

¹ See Annex.

Delmotte

Mr President, an annual report such as that on the working of the European Regional Development Fund in 1977 would certainly not arouse very great interest in the House if it did not suggest solutions for the future. In this connection one must remember that 1977 is the last year of the Fund's running-in period, which was three years. Moreover, we can learn more from a review covering the period 1975 to 1977 than from an exclusively annual one. And it was at the end of 1977 that the regulation setting up the Fund was revised.

On behalf of the Committee on Regional Policy, Regional Planning and Transport, I have submitted to the House certain guidelines which regional policy can follow in the years to come. These guidelines were embodied in the resolution adopted by Parliament on 21 April 1977. The European Commission then made proposals which, on the basis of Mr Noë's report on behalf of the Regional Policy Committee, were adopted by Parliament on 13 October that year. The Council was due to give its decision at the end of 1977. It did not do so. It is always the same kind of difficulty which prevents the Council from taking decisions about the ERDF. May I remind you that, as long ago as 1973, discussions in the Council about the amount of the Fund's endowment and its distribution among the Member States prevented the Fund from being established until March 1975. I am not passing judgment or starting an argument, just stating a fact. The recent discussions about the amount of the Fund's endowment revealed similar inconsistency on the Council's part during the budgetary procedure. The European Council fixes the key objectives for the Community, as it did at Copenhagen, where it called for a reduction in regional disparities; this was, in any case, no more than a reminder of the high priority given to these objectives in Paris in 1972. At Bremen, in 1978, the Council recognized that the less prosperous Member States are incapable of bearing, unaided, the burden of the European Monetary System and its social and economic disciplines without a transfer of resources to strengthen their economies. Nevertheless, the Council finds it impossible to suggest an endowment of the Regional Fund which goes further than the Council's proposals in 1977, which was before the plan for the creation of a European Monetary System.

Supported by the Commission (and we are grateful for this), Parliament proposed an increase in the Fund's endowment but, once again, this came up against the indecision of the Council which did not, as it could have done, under the budgetary procedure, reject the endowment by a qualified majority and which, in consequence, would not accept the increase.

In the discussions on the distribution of the Fund's endowment amongst the Member States, the Council showed the same lack of decision over the revision of

the basic regulation. In this connection, I note that one Member State, France, wants to raise its quota by 2 % at the expense of the quotas of the other Member States. At the same time, France is opposed to the creation of a non-quota section on which we fervently hope to usher in a more consistent regional policy. To get its quota increased, France eventually agreed to the creation of a non-quota section, but only by reducing its amount to 5 % of the Fund although the Commission proposed that it should be 13 % and the President of the Council, then a Dane, suggested 8 % as a compromise.

Mr President, the non-quota section, which ought to have been a first step in the direction of a Community regional policy based on the Commission's proposals, has been emasculated as a result of all this procedural wrangling in the Council. Moreover, the way in which the unanimity rule was invoked in the Council to put a stop to every step proposed was hardly in the spirit of the Community. The Commission itself had proposed a qualified majority.

In terms of the budget, the fact that the regulation fixes the amount as a percentage of the non-quota section means, to our consternation, a limitation of this Parliament's powers. Moreover, the amount of the non-quota section should not represent a deduction from the endowment of the Fund but an addition to it because the section involves new activity for which no provision was made by the Regulation in the past. So we are faced with the fact that, in 1978, the Commission reduced the Fund's endowment, which was already low, in order to create a reserve of 5 % for the non-quota section, which was not set up in 1978.

Although these are general considerations, they are of immediate interest because, at last, the Council has just, within the last week, adopted the revised document on the Regional Fund and the Commission has to implement the budget just as it was adopted by the European Parliament.

We have to accept that our opinion on the way in which the Regional Fund has operated in the past can hardly be a favourable one in view of the shortcomings, referred to previously, of the basic regulation establishing the European Regional Development Fund. As a number of speakers have emphasized in previous debates, the principle of additionality is not observed in connection with assistance from the Fund and this is one of the cardinal points of the resolution which I have the honour to submit. The Commission acknowledges that, in the field of industrial investment, Community aid has not been applied in addition to national aid but used to reimburse some of it. Such a use of public money could be described as nothing but a misuse of Community aid: those who are supposed to benefit from the Regional Fund receive no more than they receive in national aid. I suggest that Community aid should be paid direct to the recip-

Delmotte

ients designated by the Member States and that it should be additional to national aid. We should then get the additionality we want. The resolution also draws attention to the absence of information and publicity about the assistance provided by the Fund, something which may also be due to the absence of additionality. Those who are supposed to benefit from the Fund cannot be informed about something they never get. In connection with infrastructures, some Member States should follow the example of Italy which, as we have been able to confirm, carries out its responsibilities and, in contrast to the position elsewhere, makes it clear when a project has received aid from the Fund.

Finally, Mr President, another part of the resolution is concerned with the deplorable weaknesses of the regional development programmes. These programmes are essential as a guide to the allocation of the Fund's resources and, in addition, to coordinate all the financial investments with other national or Community policies which affect the regions.

In paragraph 122 of its Report, the Commission states that these programmes 'mostly lack the detail needed to serve as a guide to the allocation of the Fund's resources or to coordinate them more closely with assistance from the other Community financial instruments' and, on the other hand, that the link between the investment project in question and the achievement of the aims of the programme' is not made clear.

In the Eleventh General Report on the Activities of the European Communities in 1977, the Commission also noted (in paragraph 271) that 'Member States are having some difficulty in achieving full compliance with the common outline for regional development programmes'. As a rule, difficulties arose in quantifying objectives and in costing measures.

Mr President, it is absolutely essential for some global objectives of the regional development programmes, such as the number of jobs to be created or maintained, to be quantified. Regional development programmes must include an estimate of the ERDF appropriations to be allocated to a region during the next few years; the cost of the measures contemplated must, accordingly, be calculated in order to indicate the financial requirements.

To conclude, this Parliament has always emphasized the importance of the regional development programmes as a means of devoting the very inadequate resources available to priority objectives and of ensuring that the Community's money is put to good use. However, the absence of additionality in connection with projects, inadequate information and publicity on assistance from the Fund and the shortcomings of the development programmes make it impossible to make what ought to be, on the basis of experience in 1977, a serious appraisal of the

economic impact of Community aid. Unfortunately, this is out of the question. In future, perhaps, adequate information will enable us to keep a proper check on the economic effectiveness of ERDF aid.

I should like to conclude by expressing our appreciation and thanks to the Commission, Mr Giolitti and DG XVI, which has the difficult job of discharging its responsibilities with insufficient staff. This report does not go very far but, if the right conclusions have been drawn from it, some good may result and, although the research work covers a period which now belongs to the past, it may not have been carried out in vain.

IN THE CHAIR : MR MEINTZ

Vice-President

President.— I call Mrs Ewing who tabled a question on this topic for Question Time.

Mrs Ewing.— Mr President, may I first of all express my support for Mr Delmotte's report and speech. I agree with the points he emphasized, one of which was the subject of the question which accounts for my early call in this debate. I think that an increasing number of Members from all sections of Parliament agree with my view that the Fund is too small. I think that, so far as it goes, it does a very good job and it has a fairly economic staff; but it does not go far enough. Although it is an area which would appeal to the citizens of Europe, because of its size it is a rather haphazard and cosmetic operation.

If we take, for example, the help it has provided to the fishing industry in Scotland, and indeed, in the United Kingdom, you may find in one local community, with no alternative employment, that of two applicants — skippers with perhaps identical plants, identical experience — one will have his application granted, and the other will have his application refused. The local community, the skippers and all concerned will be upset because no reasons are provided to explain why one succeeds and the other does not. A sensible policy designed to improve a fleet should lay down criteria that would remove this kind of doubt. I am forced to conclude, therefore, that as long as the Fund remains as small as it is at present we can only regard it as a cosmetic exercise. In any event, perhaps because of its size, Mr President, despite the efficiency with which the available funds are administered, the rich get richer and the poor get poorer. I believe that in the periphery area where I represent one seat, the disparities are seen very clearly.

The problems of transport are very great, as I think one look at the map will show any Member from a Member State. I would make a very strong plea that one of the purposes of the Fund should be to equate ferries and roads. People on islands in Scotland are penalized already for daring to live there, but there

Ewing

again we want these islands to be inhabited, we do not want desert land, surely. In that event that is one of the top priorities I would move.

The Highland region in which part of my constituency is situated, has recently made 50 applications, only seven of which were granted. They are a bit confused and they would very much like to be able to apply directly, because they find that their applications seem to get stuck. It appears that the national criteria are set by the Government of the UK and these criteria are very different from those which might be applied by the Regional Committee. This is a view held very strongly by the part of Scotland that I come from. I would therefore urge that, for the future, all Members should accept that direct applications are the only sensible procedure.

I asked a question on additionality, and I think I must criticize the United Kingdom Government. On page 7 Mr Delmotte's report deplores the almost total lack of publicity. It has been suggested — I think, reasonably — in the Committee on Regional Policy, Regional Planning and Transport, of which I am a member, that, where a project has been aided by the Fund, a plaque should be erected to ensure that the Fund can get the benefit of the publicity. But in the United Kingdom's case there would be little point in putting up a plaque because it would also have to say 'The Regional Fund granted so much and the British Government helped itself to a certain proportion of it', which would hardly endear a citizen to the whole concept of the EEC. So you cannot be too surprised if no plaques are put up as long as the Chancellor of the Exchequer insists that the coffers of Westminster be filled by large chunks of the approved projects.

My question is related to a rather brave firm in Scotland which had the wit and ingenuity to apply directly, and somehow managed to get through the net of the British Government's requirements: they signed no form that gave that British Government any authority whatsoever to pocket part of the monies. It was agreed that the project met the criteria of the Scottish Office, which acts here for the British Government, and that it met the criteria of the Commission, all this is documented. And yet after all this — I have all the correspondence before me — permission was withheld.

The firm is now proposing to take the case before the Court of Justice for the misappropriation — that is how they describe it — of their grant by the British Government. I wish this firm good luck and I felt it was a good idea to draw the existence of this brave firm to the attention of the Parliament, but no doubt, if they succeed in getting payment in full, the net will close again.

I would like to ask that may my question be answered. If I had been able to put my oral question I would have been entitled to an answer from the Commis-

sion. But I would like the Commission to answer my oral question and to state what they think of the legality of a Member State purloining a portion of the Funds granted for a specific project put forward by a specific firm. I suppose you could say that it is a different matter when the application is put forward by a local authority.

I have before me a question, dated 19 June 1978, put in the House of Commons by Mr Watt, my colleague representing my party in Banffshire, asking what sum of money the British Treasury received from the EEC as payment of the 50 % industrial manufacturers' grant — which was the type of grant I asked my question about — payable against individual application; what sums had been passed on to the applicants and what sums had been retained? I have the answer, if the Commission would like to see it, but I can only describe it as a waffling, unsatisfactory answer which is less than frank. I would like to know how the other Member States behave in this regard. Could they be listed according to their behaviour patterns in this matter; is it only the unfortunate recipients from the Regional Fund in the United Kingdom that suffer when they make individual applications, or is this practice widespread throughout the Community? Does this happen in the other Member States? And I would like to have the Commission's view whether they feel that this is what the founders of Fund had in mind. The regional policies of each State are surely a separate matter and it would, I am sure, be a great improvement in publicizing the advantages of EEC membership, about which there is still a lot of dissent, if the unfairness attending this matter could be sorted out.

Could I, on a separate question, make a special plea for help in deciding what should be done with some of the largest tracts of unused land in the whole of the EEC, which are to be found in the Highland region of Scotland. The Forestry Commission public forests in Scotland as a whole amount to one million acres. It is felt that they could be increased to five million acres, but there is not enough money being spent on research. Perhaps this would be a proper subject for consideration. Land is a unique asset. We are subject to enormous speculation at the moment, and this is benefiting not the communities or in the end the Community as a whole, but individual speculators who, in most cases, are not taking up residence and who are motivated by the desire for private profit with little regard for the use of land or for anything other than a quick profit. I wonder if these matters could be looked at when the criteria are discussed in the future.

President. — I call Mr Ryan to speak on behalf of the Committee on Budgets.

Mr Ryan, draftsman of an opinion. — Mr President, it is my privilege to draw the attention of Parliament

Mr Ryan, draftsman of an opinion. — Mr President, it is my privilege to draw the attention of Parliament to the opinion of the Committee on Budgets. Before I do so I would like very briefly to reply to the excellent address presented by Mrs Ewing. I think, however, with the greatest of respect, that she is identifying the wrong target when she sets out to accuse the British Government.

The trouble in relation to the Regional Fund arises out of the rules and regulations that govern its application. There is a rule which prevents any government seeking assistance from the European Community until the government has already spent the money itself. As long as that rule applies, people will continue to suspect that national governments are simply refunding themselves for expenditure that they would in any event have undertaken. I had experience of that myself as a Minister for Finance; my successor who used to accuse me of pocketing Regional Fund money recently said in the Irish Parliament that there was no other way in which the money could be obtained. It is small consolation to me to hear my successor, who criticized me so severely, now admit that I was right. I would suggest that Parliament should look at the recommendation of the Committee on Budgets that there should be some alterations in the rules in order that the ordinary people of the Community might become convinced that the money from the Regional Fund is being applied for their benefit and is not being pocketed by national governments.

Within our mandate in the Committee on Budgets we must of course concentrate on the financial and control aspects of the Regional Fund. But because of our concern about the inadequacy of the Regional Fund, we have gone a little beyond our mandate to consider the political aspects. The Committee on Budgets has drawn attention to the failure to date to provide sufficient funds to reduce the gap in living standards between the poor and rich regions of the Community.

Since the establishment of the European Community, and particularly since the enlargement of the Community in 1973, the gap between the rich and the poor has widened. This is in direct conflict with the objectives of the Treaty of Rome. The blame for this lies, as the Committee on Budgets emphasizes, on the cowardice of the Commission on the one hand, and on the selfishness of the richer members of the Community on the other. In fairness it must be pointed out that Parliament has always been in favour of a much larger Regional Fund and, indeed, Social Fund, but the national selfishness of the richer States has meant that

the aim of equalizing living standards laid down in the Treaty of Rome has not been achieved. If 100 be taken as the average living standard of the Community — and we illustrate this in the annexes to the opinion of the Committee on Budgets — the respective positions of Germany, the richest member, and Ireland, the poorest member, were in 1970 Germany; 124.4, Ireland, 53.8. After the accession of Ireland to the Community, after more than three years' experience of the Regional Fund, in 1978 Germany's average living standard has risen to 140.5 and Ireland's with all the Regional Fund, had sunk to 50.5. Other figures could be adduced for other countries which would indicate the failure of the Regional Fund to achieve its principle objective — a closure of the gap between the rich and the poor. And as the McDougall report points out, Mr President, there is little chance of the aims of the Rome Treaty being achieved in our times as long as the resources of the Community are limited to only 0.7 % of gross domestic product. This figure needs to be at least trebled before there can be any worthwhile impact upon the economies of the poorer nations of the Community.

As the draftsman of the opinion of Committee on Budgets, and in the name of my colleagues on that committee, I pointed out that we are baffled that the Commission accepts that the Regional Fund, as it is at present constructed, cannot close the gap but the Commission does nothing! It baffles us that the Commission, acknowledging that the availability of funds so far is insufficient, is failing in the courage which it ought to have had to demand from the Council of Ministers a substantial increase in the Regional Fund allocation for the years after 1977.

The Commissioners have failed in their duty. I know that their hearts are in the right place, but that is not enough. The Commission ought to discharge its duty under the Rome Treaty and demand what is necessary. Parliament has said it time and time again; the Commission must say it too, no matter who is embarrassed in the process. And if the Council of Ministers refuses to discharge its obligation, so be it: it will then be quite clear where the blame lies.

There are a number of key issues, Mr President, to which the Committee on Budgets wants to draw attention. I have already referred to the sheer inadequacy of the provisions made in the Community budget for regional policy. The Committee on Budgets also draws attention to the unsatisfactory aspect of the pace of making payments out of the Fund, although it does emphasize, and rightly so, that the major portion of the blame here lies, not with the Commission, but with governments. It is pleasant to note that the situation is improving.

Ryan

The Committee on Budgets also emphasizes once again the budgetary importance of coordinating the various regional policy instruments. It also emphasizes the control and auditing aspects. In that connection, Mr President, it gives me no joy whatsoever to draw attention, as Mr Delmotte has already done, to the lack of cooperation on the part of the French authorities. Indeed lack of cooperation is a euphemism for something which is much more serious. The French authorities have refused to allow the Court of Auditors access to some of the projects which have been assisted by the Regional Fund. This, quite clearly, is not good enough, and the Committee on Budgets therefore asks Parliament to endorse its opinion that the French authorities should be pressed to allow the same facilities to the Court of Auditors as are made available to the Court of Auditors by the other eight Member States. It is totally unacceptable that any Member State should refuse access to the Court of Auditors in relation to the expenditure of Community funds. If refusal continues, this Parliament will have seriously to consider the withholding of Community funds from a Member State which refuses to allow the Court of Auditors — the instrument of this Parliament — to supervise the application of Community funds. I hope that, the matter having been aired in Parliament and the Commission having already expressed its anxiety in this matter, we shall not next year, when reporting on the the Regional Fund for 1978, have to complain that one Member State has refused to allow the Court of Auditors to investigate the application of contributions from the Regional Fund. I am not for one moment suggesting, Mr President, nobody suggests, that there is any irregularity in France or in any other country in relation to the application of these funds, but the situation cannot be tolerated in which any country refuses access to the Court of Auditors, which must be the instrument of the Community for satisfying everybody who contributes to the budget that money is being properly applied.

President. — I call Lord Bruce to speak on behalf of the Socialist Group.

Lord Bruce of Donington. — Mr President, we would like to congratulate Mr Delmotte on the excellence of his report and the degree of objectivity that it contains.

Mr Ryan pointed out the widening gap between the fortunes of the various countries in the Community as on page 30 of the English text of Doc. 558/78. That table of course related to nations. If one takes the regions themselves included within the nations, the disparities are of course all the greater. So we do have a position, as he has correctly described, where, notwithstanding the establishment of the Regional Fund and its funding, the fortunes of the poor have

worsened, and the fortunes of the richer regions have prospered. But there is a further point. Simultaneous with this trend, there has been a reduction in the value of the Regional Fund itself. This is made quite clear under point 117 of the Commission's report, where it says, and I quote :

The resources available to the Fund in 1977 had clearly declined in their real value, since they were fixed in 1974 and not subsequently corrected to take account of the very high rates of inflation which struck the economies of all European countries, and in particular those which face the most severe regional problems and absorb threequarters of all Fund aid.

So here we are, Mr President, in the European Economic Community, and in its Parliament, and after four years, we are saying : first of all the funds have got less real value, and secondly the position the Fund was designed to help to correct — it never did seek to eliminate it — has failed. This, I would respectfully suggest to the House, is a matter that strikes to the very heart of the whole purpose of the Community.

Now, Mr President, it may have been apprehended, and in fact I think it was when the European Economic Community consisted of only six Members, — if it was, it was certainly correct — that when you pursue policies aimed at the elimination of competition, the free movement of capital, the free movement of labour — the unhindered movement of labour — it follows from that as day follows night that the poorer regions are going to be denuded in favour of the rich. And this indeed is exactly what has happened. Of course, the Regional Fund was designed in part to correct this. The Commission can correctly say that, of course, there are other regional instruments which, owing to their own intervention, which is warmly appreciated, are being coordinated by them. That is to say, there is now a coordinator to study, ponder and advise the Commission on the regional aspects of the common agricultural policy, the Agricultural Guidance Fund, the Social Fund, and also on the whole question of investment. All this, Mr President, sounds formidable, and even if you add those side-effects, those uses of other parts of Community activity, the fact still remains that the poorer regions are getting poorer and the rich are becoming more prosperous.

Now, Mr President, it is sometimes thought, and it is becoming very political now to say so, that of course there are now wide investment and loan facilities which are available to supplement the Regional Fund, although we do not know the nature and extent of the aid that is likely to be forthcoming in this way, or its direction. The fact of the matter is that it will be by way of loan, and loans have to be repaid. Loans as such although they may be extremely useful in terms of encouraging investment and in the creation of further opportunities for employment, are still no effective substitute for that redistribution of resources

Lord Bruce

within Europe that was envisaged by the McDougall report as an essential precondition for any system of closer cooperation on monetary policy in Europe.

Mr President, there is something I do have to ask the Commission. Commissioner Giolitti may not be able to answer, because perhaps it does not come under his immediate purview, even though he does address us this evening as a representative of the collegiate body. Why is it that there has been no effective, constructive presentation of the Commission's own views on the contents of the McDougall report? We have had some experience of Commissions in this regard. Whenever it commissions a report that produces conclusions highly embarrassing to itself it maintains a discreet silence. Is its silence on the McDougall report an indication that they do not intend in any way to pursue the policies that are so forthrightly outlined?

Mr President, we are not only talking of regions in Europe, we are talking, I hope, in Parliament not of regions, or nations, or institutions as such, but we are talking of people. We have the daily panorama in front of our eyes of what happens to individual people who are the inhabitants of some of the regions that are most adversely affected in Europe. Yesterday, and the day before, it was Naples. It can be practically any other large city in one of the affected regions tomorrow.

There are the things, Mr President, which the people of Europe want us to take into account and want us to produce forthright policies upon. It is quite useless, of course, to expect the Council to produce such proposals. It is so busy in its squalid squabbles over the miniscule amount that is already in the Regional Fund that it has no time to devote its collective mind — if that exists — to nobler and higher purposes. At least the Commission is constructive. All we ask, Mr President, is for the Commission to be even more courageous, and then Parliament, and most certainly my group, will support it.

President. — I call Mr McDonald to speak on behalf of the Christian-Democratic Group (EPP).

Mr McDonald. — Mr President, on behalf of my group and on my own behalf, I want to compliment Mr Delmotte on the excellent report he has produced on this important aspect of Community policy and activity. I think that, as the previous speaker, Lord Bruce, has said, the thorough way that he was able to dissect the Commission's report and, indeed, the Commission's progress makes it very easy for those of us who keep closely in touch with and monitor the progress of regional policy in the Community.

The House will be disappointed at the slow rate of progress that regional development is making. Up to now, all will agree that progress towards economic and monetary integration was dependent on equality between the various regions in the Community. We

have watched the gulf, the imbalance, between the rich and the poor areas widening, as already has been mentioned, I think twice, even though this debate has only started. In 1974, the ratio between the more prosperous and the poor peripheral areas was 5 to 1, and I note that last year, this increased to 6 to 1 and is still going in the wrong direction.

The Council has decided to take the first step — EMS — towards economic and monetary integration without waiting for a balance in the economies of the various regions, and I am in doubt whether this can prove totally successful in the absence of an equal and sound starting-base.

I have watched the operation of the Regional Development Fund, and it is most regrettable that some governments are devoid of any European spirit where aid from this Fund is concerned. The Regional Fund must never be a substitute for the process of renewal and initiation in the regions. At the most it can provide support. EEC funds are never more than partial solutions, simply because the resources are limited — and limited by the Council at that. The Regional Fund, to my mind, must operate as a stimulus and not simply be part of the general funds available to central administrations. Those who benefit, whether they be workers in new industries or people for whom local-authority infrastructure such as roads or water supplies or sewerage schemes have been provided, must be informed of the source of monies spent by the Regional Fund to back regional development in their areas.

What we need to do is to tackle the overall problem of the sort of development required for our great Community in the coming decade. I believe that closer and more direct links must be developed between the Regional Development Fund and those who are to benefit from it. This, of course, is not the ideal, but since in many parts of the Community there is no real, clear sign of the concept of additionality, the time has come for meaningful changes to ensure maximum advantages from the Fund to the disadvantaged areas for which this Fund was established in the first place.

Our rapporteur points out in paragraph 2 of his motion for a resolution that a whole year passed before the Council reached a decision on the new regional policy guidelines. Indeed, this indecisiveness was carried right through 1978 as well. The Irish Government, for example, submitted no new applications for aid during the first half of last year, and I would like the Commissioner, when he is replying, to tell the House how many applications were lodged by each Member State during the 1977 financial year, and, if possible, what percentage of the total allocation from the Fund each Member State availed itself of for regional development during the year that has just gone by.

McDonald

The Regional Fund and the people in poor areas who have placed such high hopes in it for their development have been used as political pawns by the Council of Ministers. I believe that we need more help for the service sector — for tourism, for example, which needs an input of capital in places such as the Irish midlands or the east coast of Ireland, where national aids offer no inducement or advantages. I believe we need new guidelines for the Regional Development Fund, help for industrial investment in the poor regions, and tougher rules governing expenditure that will ensure that most monies are spent in the poorer regions.

Like our rapporteur, Mr Delmotte, and other colleagues, I deplore the fact that all Member States, especially my own, have used aid granted from the fund for industrial projects as partial repayment of national aid, despite the fact that Article 4 (2) (a) of the Fund Regulation says that Community aid should supplement public aid from national administrations. In Ireland, despite the expenditure of over £60 million up to the year under review, I have to date not met any individual citizen who was aware that his or her area had benefited from aid from the Regional Fund. The report of Mr Delmotte sets out very clearly many of the shortcomings that most people who study this problem are agreed are in need of redress, and I would make a special appeal to the Commissioner to endeavour to put real impetus into the Regional Development Fund over the next few years. I think that the Fund has lost the impetus that it started off with, and it is quite plain to see that the amount of money that has been expended is not even keeping abreast of inflation. During the course of the past year, the Committee on Regional Policy, Regional Planning and Transport had the opportunity to send delegations to various parts of this Community, and it is necessary for the Members of this House to see the very differing circumstances obtaining in the various parts of the Community in order to appreciate the magnitude of the problem. When we went to Greenland not so long ago, we saw the dire need for accelerated development from the Fund and I feel that, while one must compliment the Danish Government on the amount of progress they have made, nevertheless one did not find any great affinity on the part of the Greenlanders for this Community or for the people who supplied those funds.

Not only that: I think we must look at the social needs of these people. Many of my colleagues were quite aghast at the fact that young people availed themselves of the only level place in some of the towns we visited — that was the dockland or the pier area — to race around on fast motorbikes. But when you think of need for facilities for these people to let off steam, I think that this Community must take on a more human face, and must endeavour to fulfil the requirements of every sector of our Community.

In conclusion, Mr President, I wish once more, on behalf of the Christian-Democratic Group, to compliment Mr Delmotte and to say to the Commissioner, that we look for a greater development and greater use of this Fund so as to ensure that, by the time we come to review the Commission's next annual report, at least we shall not have to point out so forcefully that the Fund is not keeping abreast of inflation, that its impact on the imbalances in the Community is getting less and less. We hope for a real drive during the coming year from the Commissioner and his colleagues to redress this imbalance.

President. — I call Mr Johnston to speak on behalf of the Liberal and Democratic Group.

Mr Johnston. — Mr President, when Mr Jenkins became President of the Commission, he stressed, as you will all remember, that the growing disparity in wealth between different parts of the Community was its greatest internal danger. Yet, as Mr Delmotte has made, clear and as many other speakers have emphasized, the position has grown steadily worse while the Regional Fund, has in real terms, been gravely diminished. And I think, Mr President, that the Commission stands condemned for timidity and weakness in pressing what its own President picked out as its greatest priority.

The situation is further aggravated by the fact that all Member Governments, apparently without any exception at all, have used the existence of Community funds as an excuse for reducing their national efforts. This is aggravated by reluctance to give credit where credit is due by publicizing the work of the Regional Fund — though oddly enough the loans from the European Investment Bank are quite often publicized as, for example, I saw in Shetland last week. But it shows how irresponsible the Ministers in national bureaucracies can be in their attitude to the very Community policies to which their governments pay lip service. I hope very much that in the direct elections to this Parliament which are coming up, candidates of all parties will carry on the bi-partisan view of regional policy which this Parliament has already demonstrated so well. I hope too that Commissioner Giolitti will be forceful in protesting to the Council of Ministers about the behaviour which casts so much doubt on their intentions.

I nevertheless pay particularly tribute to Mr Delmotte. I have always admired greatly the work he has done in the Committee on Regional Policy since the inception of the Fund and I think the whole House owes him a great debt for it. It must be particularly galling for him to write this report which after all is basically a record of inadequacy. Perhaps that is hardly surprising considering the various views which different governments have expressed. Different coun-

Johnston

tries have been referred to. We had this week our own British Foreign Minister, signalling the abandonment of the British Government's original position when this House tried to increase the Regional Fund and saying in effect that he thought it was more important to limit the powers of the European Parliament than to bring new help to the impoverished parts of Europe. I really thought that thing an appalling thing to say. It seems to me that members of Dr Owen's own party have a duty to let us know where they stand in this matter.

Now time is short, and I would like to confine myself briefly to three issues. Mr Delmotte spoke about his disappointment at the failure of the quota-free section to develop. I too agree entirely that this is matter of deep regret. Nor is it only France which is blocking though France is taking a very openly negative view in the matter. I think it must be recognized that the peripheral areas of our Community look very much to our Community and to this Parliament for assistance.

This time last week I was with a delegation from the Committee on Regional Policy Regional Planning and Transport to the Highlands and Islands of Scotland — probably the last of such delegations. We met representatives in Inverness and we visited Shetland. The people in these far off areas — and this is true of all other areas of the Community — felt that the Community might help them with deep-rooted problems which their own national governments had failed to overcome. Again I hope this is a matter which candidates to this Parliament and the Commission will make an issue of.

Secondly, the total size of the Fund: this is referred to specifically in paragraph 7 of the Delmotte report. Mr Ryan, in a very pungent speech, spoke about the cowardice of the Commission and the selfishness of the richer States. Speaking for myself, I still have not entirely recovered from my total astonishment at Mr Giolitti retreating on behalf of the Commission from the standpoint which Parliament had espoused at the first with the Council on Parliament's amendments to the budget. I am not going to go over that now, but I cannot neglect to observe that the Commission played a miserable role in it all. The Commission after all is supposed to be the dynamo of our institutions, the Commission is supposed to be pushing us for better and more effective cooperation, not hesitating and retreating in the face of the intransigence of the Council.

I don't think it is entirely fair for Mr Ryan to have singled out Germany for attack. I think the German attitude would be much affected if there was acceptance of a genuine regional policy which in effect would mean a much larger quota-free section. I think the German view would change very much in that case. I very much hope that the record of this Parliament on the question of the size of the Fund will be carried forward and extended when the Parliament is directly elected.

Lastly, the question of direct contact between the regions and the Commission: this was something that the first Regional Commissioner, Mr George Thompson, wished to encourage, but it is a tendency which seems to me to have faltered of late; nor have any proposals come forward to improve and develop this contact. I would like to know from Mr Giolitti what his views on these matters are. Does he wish to see more direct contact between Brussels and the regions without going through the national governments, or does he not? And if he does, what is he going to do about it?

Mrs Ewing referred to the fact that in the Highlands of Scotland, they were successful in 7 out of 50 applications. There seems to me to be something wrong in the way the application are made, and I would be interested to know what the general average of success in applications is and whether the main fault lies with the applicant — the regional applicant or the national government or the Commission. When I say fault, I mean the responsibility for not framing the application in a proper fashion.

I conclude, Mr President, by saying that, like Mr Delmotte, like indeed every other speaker I have heard this evening, I am deeply and bitterly disappointed at the lack of progress we have seen in these last three years in developing the Regional Fund which started so hopefully and so excitingly for us all. We will not ever have a harmonious Community unless we have an effective regional policy.

President. — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — Mr President, those of us who have the privilege and challenge of serving on what I regard as the most important Committee of the European Parliament, and the one on which the future cohesion of Europe will depend, namely the Committee on Regional Policy, Regional Planning and Transport have good cause to pay tribute once again to the work of Mr Delmotte. This report is no exception to his usual high standard of work. It is in a sense a swan-song, in that it deals with the last year of the first three-year running-in period of the Regional Development Fund, operated, of course, within the old Fund guidelines. Nevertheless it is important, because it is only by a thorough understanding of what has happened to regional policy in the past, and is happening to it at the present, that we can make any sensible and workable proposals for the future. And this was, of course, particularly important at the time last year when the new guidelines for the Regional Fund were being drawn up. My group believes that the best time to influence decisions is when they are in their formative stage, and it was with this in mind that I and two of my colleagues — one on my left, Mr Osborn — serving on the Committee published in November 1976 our ideas on the future

Kellet-Bowman

working of the Fund in our little booklet, *Britain in Europe: New hope for the regions*. We were delighted that the Commission in its new draft guidelines adopted many of our proposals, but we were bitterly disappointed that the Council radically changed the Commission's proposals; and then, as the rapporteur pointed out in paragraph 2, they took over a year after the agreed date to approve the new Regulation — an absolutely scandalous waste of time, a scandalous state of affairs in a matter of such urgent importance to the citizens of the Community.

How right the rapporteur is to emphasize the vital, but often overlooked, fact that the Community's Regional Policy is very much more than merely the Regional Fund, as so many people imagine: it embraces the Social Fund, the Coal and Steel Funds, the Guidance Section of the Agricultural Fund and, very important indeed, the European Investment Bank. In my part of the world — Cumbria and Lancashire — the European Investment Bank is of crucial importance to us because of the desperate problems we face with water and sewage, both in the replacement of old, worn-out mains — and we have one major sewer collapse in the North-West every day of the year — and in the provision of new facilities in areas which are currently under-served and in need of development. The North-West Water Authority relies very heavily on the European Investment Bank for the funds which our national government either cannot or will not find. We in the Conservative Group believe in the old saying, 'Only the wearer knows where the shoe pinches', and we are convinced that local people through their local authorities have much more say in how the Regional Fund operates, because it is they, not the gentlemen in Whitehall, who really know and understand what will be of most benefit in their areas.

For years our Committee on Regional Policy has regretted the absence of a non-quota section in which local opinion would have a greater say. And so it was a tremendous thrill, particularly for me as rapporteur for the budget this year for the Committee on Regional Policy, to succeed in introducing into the budget and getting past the vigilance of the Council, a non-quota section of the Fund as a separate budget item, not merely as a percentage of the main Fund, but a separate quota section. This is small, it is true only 100 million u.a., but it does point the way for the future.

The rapporteur quite rightly draws attention in paragraphs 6 and 7 to the totally inadequate endowment of the Fund. Here again our success in putting through an amendment to increase the endowment of the Regional Fund by 480 million EUA, including the non-quota section, should enable a much more effective regional policy to be pursued — if we can prevent the Council from overturning the decision which was democratically made in this Parliament with their full participation.

The Treaty of Rome states in quite unequivocal terms that one of the objectives of the European Community is to raise the standard of life of all its citizens, and for this objective a viable regional policy is indispensable. But as George Thompson put it in Manchester years ago, regional policy is intended to be a bonus to help the weaker regions over and above what their national governments would spend; and it is intolerable, Mr President, that some member governments, such as that of the United Kingdom — but they are not alone in this — should swallow up the United Kingdom allocation of the Regional Fund in the bottomless pit of the national budget deficit, and actually refuse to allow local authorities to undertake any additional projects because they have received Regional Fund monies.

I am grateful to the rapporteur, in response, to my pleading, for drawing to the attention of the House, the very considerable current and potential importance of tourism to the less-favoured regions. This can, indeed, bring new lifeblood to parts which have in the past been severely disadvantaged. I also welcome the much more accurate and more comparable statistics, the lack of which prevents any serious economic assessment and analysis of the effectiveness of the regional policy we are now pursuing.

Finally, Mr President, I believe that you cannot have peace in your backyard whilst there are fat cats and thin cats. You cannot have harmony in the Community while the gap between the standard of life of the richer and the poorer regions is in the ratio of 6 to 1 and still, alas, widening, I believe that without a really worthwhile Community regional policy, the Community will fall apart. To the establishment of such a policy the Conservative Group, which I am proud to represent, is totally committed.

President. — I call Mr Mascagni to speak on behalf of the Communist and Allies Group.

Mr Mascagni. — (I) Mr President, there can be no doubt that Mr Delmotte has one of the highest reputations in this Parliament for the competence and dedication he has for so long brought to bear on regional policy. The report which he has given us as a contribution to the debate on the Third Annual Report on the Fund has given us welcome assistance in clarifying certain points and bringing out into the open the central issues of the regional policy. This puts us very much in his debt.

I should also like to express satisfaction with the report of the Commission which, no doubt thanks to Commissioner Giolitti and his staff, is remarkably full and informative. The observations contained in the report range beyond 1977 and the report is valuable not only because of the questions it poses but also because of the material it provides for those who read and study its contents.

Mascagni

In presenting his report this evening, Mr Delmotte told us that its contents might not be of great interest because they were restricted to 1977 but that some lessons could nevertheless be learned from it. I agree and feel that some conclusions can be drawn from his report, taken together with that of the Commission. Among the points I should like to refer to is first and foremost the Fund's endowment, in which connection we all remember the tough battle which Parliament had with the Council of Ministers for the 1979 budget. Mr Delmotte also referred to it. The various documents we have on the endowment of the Fund, the Delmotte report, the Commission's report the report on the opinion of the Committee on Budgets, are all quite clear and explicit. The Committee on Budgets did well to mention the McDougall report, which others have referred to, because it argues that, in view of the disparity which exists between the various States of the Community in terms of gross domestic product, there should be a sharp expansion of the Community budget from today's 0.7 % to 2.25 %. I think it was Mr Ryan who spoke about this and in doing so said that the Fund was bankrupt. This is not true; what is bankrupt is Community policy, not the Fund. What is true and must be repeated is that the Fund is inadequate. And it is inadequate, insufficient and short of resources in inverse proportion to requirements because of the indifference which marks the conduct of Community policy. The McDougall report went on to say that an expansion of the budget was the condition required for any appreciable transfer of resources within the Community and for the gradual alignment, in consequence, of the economies in preparation for the Economic and Monetary Union, which would otherwise be unattainable. Regional policy is, in fact, closely connected with the old question of Economic and Monetary Union, which is the Community's only way out of the crisis. We would do well to bear in mind that no country has the resources or backing to undertake on its own the formidable task of finding a new kind of world stability. The situation calls for bold measures or sacrifices from certain States which may seem hard at first but will ultimately create a new situation for the benefit of all.

In the second place, there is, in conjunction with expansion of the budget and the pursuit of internal equilibrium, also a need to strengthen Community action as far as regional policy is concerned; this becomes abundantly clear after carefully study and interpretation of the experience acquired during the first three years of the Fund's existence. One thing is certain: there is now general agreement on the need to infuse life into a Community policy specifically designed to correct regional imbalances. In this connection the choice is between two different and, I would say, conflicting possibilities. One alternative is the virtually automatic transfer, Community-wide, of resources from the richer countries to those which are less developed on the basis of what would be essentially inter-Governmental agreements, and the other is

the assignment of an active role to the Community and making it responsible for carrying out a comparative assessment of the situation in various areas, laying down priorities, and allocating the necessary appropriations in the budget on the basis of terms and conditions which hold good for and against all parties.

The second alternative has been adopted as a general principle. There was an obvious need for action to achieve a better balance and to bring the various aid policies into line with each other at Community level and make them tackle the problems of regional imbalance. The correctness of this conclusion was corroborated by the imbalances which gradually emerged as a result of the conspicuously sectoral use made of the other aid policies. In reality, a compromise has been adopted and, if it is not turned to better use, it will achieve nothing. The compromise consists in the assignment to the Commission of powers which are conditioned by the restrictive machinery embodied in machinery embodied Fund regulation and, above all, in the sub-division of the Fund into national quotas which are mandatory. It is fair to say, therefore, that, especially as regards the application of the Fund, our regional policy is still basically concerned with a rule for the redistribution of resources and has too little discretion to assess requirements, take decisions and act on them, and assume a really decisive role in terms of the Community as a whole. Hence the need which has gradually emerged and which, thanks to Commissioner Giolitti's activities, has now been recognized to take determined steps to coordinate the various instruments for financial aid in conjunction with complete freedom to evaluate the regional impact produced by the different Community policies. As has often been pointed out, internal structure and technical capacity are also involved.

Thirdly, the introduction of the condition that regional development plans must be submitted before the various projects can receive financial aid from the Commission is sure to go a long way towards consolidating Community action. Even though these plans have shortcomings and little in common with each other, they may prove to be sources of information and, at Community level, provide a comparison between the situation in the various regions; they are, accordingly, of value not only in deciding how aid from the Fund should be used but in promoting the coordination referred to earlier. If, as is to be hoped, the obligation to submit plans is extended to all the regions and not confined to those who apply for ERDF aid, they could form the basis of a Community development programme which would ensure that the Community's policies — for the regions, agriculture, transport, industry, energy, competition and so on — were better designed for a balanced development of the Community.

My fourth point concerns the question of additionality, to which is there a great deal of reference in both the motion for a resolution and the explanatory statement drafted by Mr Delmotte.

Mascagni

It is right and proper to insist, like some speakers, on respect for the principle of additionality in order to curb the current tendency to use Community funds to finance projects which should be financed by the States, although the resources of the Regional Fund are essentially provided as an addition, adjunct or multiplier in relation to local resources.

This insistence on additionality is undoubtedly justified, provided that two conditions are satisfied. The first is that there should be an appeal for firm commitments to provide national aid at the present stage of Community development and in the present state of its regional policy, in which national aid is greatly preponderant and Community aid has point and purpose if it is allowed to act as an incentive or multiplier.

The second condition is that insistence on additionality should be commensurate with present conditions, in terms of the development of Community policy, and with the present relationship between the Community and Member States but this must not mean consolidation of those conditions or that relationship.

Our basic objective should, as we all agree, be to secure a gradual but sustained expansion of the budget and a substantial increase in the Regional Fund to enable us to proceed beyond the present stage, which is virtually dependent on inter-Governmental action, and create the conditions for the Community's responsibilities to be properly discharged, in terms both of quantity and quality. The only regional policy which is any good is one based on a transfer of resources on the lines envisaged and which makes it possible for the Community to provide aid on the basis of planning which includes a comprehensive appraisal of the objectives to be pursued by a policy of equilibration and is applied in a way which relieves the Member States' budgets of the cost.

I should like to hear the detailed comments of the Commission and of Commissioner Giolitti on this interpretation of the pressing need for an appeal for additionality, though it must not be regarded as something which must never change. We must, in fact, be prepared to think on more general and flexible lines about the extent to which the Community can act for others in the matter of aid.

Those are the comments we wanted to make: we shall vote in favour of Mr Delmotte's report.

President. — I call Mr Fuchs.

Mr Fuchs. — (*D*) — I have only a few brief comments on the main issue referred to by all previous speakers and that is the question of additionality. In my view, one aspect of the question has been rather neglected so far and that is how the individual Member States deal with additionality in their national

budgets. The Commission's report says that in this respect additionality cannot, unfortunately, be relied upon in all Member States. In my view, it must be secured at all costs. One gets the impression that some Member States deliberately and anxiously avoid any public acknowledgment that the Community's regional policy is responsible. But this is just what must be made known and this is why, as long ago as last October, the Christian-Democratic Group submitted a motion for a resolution to this effect and I am glad to see that the proposal made in the motion has, in its entirety, been included in the motion for a resolution in Mr Delmotte's report. I should merely like to ask the Commission to keep a close watch on the situation during the coming year to see whether, at last, the individual Member States are really taking account of it in their budgets. The point has also been made in the amendment of the relevant regulation but I am afraid that some Member States will again find some loophole and avoid additionality. I should also like to suggest that this should be the subject of special reference in the next report, and to ask why Member States who do not respect the principle of additionality should not be named; otherwise we shall have a bottomless barrel and the additionality which is demanded with such unanimity on all sides will have lost all meaning. A very experienced member of this House told me recently that our efforts will all be in vain and that a way will still be found of getting round it. If that is true then I must say that in my opinion, proceedings should be taken to obtain a clear and conclusive ruling on additionality; only then, as a result of these steps, will we have a chance of achieving the goal we are trying to reach through the Regional Fund, which is to eliminate imbalances.

President. — I call Mr Schyns.

Mr Schyns. — (*F*) Mr President, without wishing to be repetitive, I should like to congratulate my colleague and compatriot, Mr Delmotte, on his report. Like Mr Ryan, I am concerned with it as a report on the work of the Regional Fund and not so much on the future policy which should be applied by means of the Fund. The complaints which all my colleagues have raised show that no one is happy with the way the Fund is working at the moment. That is very clear from what has been said.

For this reason I am sorry that the Council has not yet acted upon the report prepared by Mr Noë for the Regional Policy Committee, because it contains certain guidelines which we tried to suggest on the policy which the Regional Fund should follow in the future. Mr Fuchs has already referred to the fact that the additionality of the resources made available to the Commission to carry out that policy is absolutely vital.

Schyns

Personally, I would go further. In some of the countries we visited, we saw that there were some very fine projects but we thought they were too ambitious and that their potential benefit had been miscalculated. In my view, therefore, the various projects which have to be submitted to the Commission by the Member States ought to receive the Commission's approval on the basis of hard facts and a realistic calculation of their profitability. There is no point in setting up an industrial zone of 60 hectares if the required workforce is not within a radius of 50 kilometres and if there is not the remotest possibility of an industry moving in without much delay. Nor is it any good installing production units at places remote from the centres which supply raw materials if those units have eventually to be closed down because they are no longer competitive.

We have actually seen this sort of thing happening.

I believe, moreover, that the Commission, on one hand, and the Member States, on the other, and also, let me add, the regions concerned must, in future, work in close cooperation in order to produce the improvements which the Regional Development Fund should be providing as a matter of course. That is to say, aid for the less prosperous regions of the Community and, by improving their structure, in due course give the workers and inhabitants entirety the regions the same opportunities as other people. I believe the watering-can policy we have had so far must be abandoned in its entirety and that, if we want to achieve the desired results, we must show greater discrimination in applying ERDF policy.

President. — I call Mr Ellis.

Mr Ellis. — Mr President, because it is so enormously important I always find it very difficult to speak satisfactorily on this subject in this Chamber. In addition we are discussing specific matters such as Mr Delmotte's report on the 1977 annual report. I think I can best spend the few minutes available to me by echoing some of the remarks made by a number of speakers about the political issues and the need for the Commission to take its courage in its hands.

I can start off by referring to the words of Mr Jenkins, quoted by Mr Johnston. Mr Jenkins said that the disparities in the Community might well be its greatest danger. That may well be true. But curiously it might also be its greatest opportunity. We have had regional policies of one kind or another in all our countries for nearly fifty years — certainly since the early thirties.

If I were asked to describe regional policy as we have experienced it, I think I could not do better than describe it in the words of England's greatest dramatist, 'it is a tale told by an idiot, full of sound and fury, signifying nothing'; it is a sorry tale. That is the

message that we have to get across to the Commission and to the Council, and, more importantly, to the people of Europe, the people of the regions. What we are entitled to do is no less than to question the good faith of governments, governments who have solemnly signed treaties within which are inscribed and enshrined commitments to economic equilibrium. And after fifty years what have we got? — nothing at all.

I will give you an example, a practical concrete instance. I will take it from my own country, as it happens to be the country where I can get all the facts and figures, but it will apply, I think, to many countries in the Community. And I will go to the fountain-head for my facts. I shall quote from a government publication. This was a paper published by the British Government. This is what it says: 'Had Scotland, Wales and Northern England secured 42 %, i.e. their share of the employment in Great Britain in 1960 — of national employment growth during the sixties they would have experienced a growth of 270 000 jobs.' In fact their employment fell by 100 000. Of the deficiency of 370 000, 180 000 was attributed to developments in the service sectors, 120 000 in the primary sectors — largely to do with the decline in coal-mining — and 70 000 in the manufacturing sector. This loss of jobs was matched, during same period, by an increase of 6 % in employment in the South and Midlands of England. That is in a decade when Britain, and indeed the Continent, the Community and the Western world experienced economic growth unprecedented in this century. My region, despite all the fine words of the regional policies, ended up as one of the three regions with a loss of 370 000 jobs. And if I were to ask the British Government, or any of the Community Governments: since you failed with your incentives and your various systems, since you failed to arrange matters so that the poorer regions could catch up, will you slow down growth in the rich regions. The answer is quite clear and unequivocal and it is set out in the same official document. Paraphrased it goes like this: oh no, we cannot slow growth in the rich regions because the well-being of the poor regions depends on the well-being of the whole country and that depends on the well-being of the rich regions. The problem, as far as our central governments are concerned, is intractable and, people in the regions are becoming increasingly aware of the intractability of the problem as seen, through the eyes of the central governments.

This is the opportunity that I think the Community can seize upon by pointing out that there is something political at the bottom of it all. Some political realities that have to be grasped. I am speaking about the need for the Commission to take its courage in its hands.

Ellis

My constituency, Mr President, has an unemployment rate, at the moment, of 14 %. When unemployment in the Midlands of England reached 6 % two or three years ago, there was great alarm and the government of the day said, oh well, this is getting serious, we will scrap the regions — we will emasculate the industrial developments certificate I am rightly, entitled — and I do it publicly — to question the good faith of my government where regional policy is concerned. This is why I think it is terribly important that the Commission appreciate the importance of the matter.

We have heard from a number of speakers. Mr Delmotte set out all the facts in his report. Lord Bruce quoted some of them, e.g. how the disparities are growing. Other speakers have referred to them. We see the squabble now about the pittance, as Lord Bruce called it, and the Parliament somehow acquiring power. As far as I am concerned, as far as my people are concerned, the more power this Parliament gets from my national parliament, the better it will be. That is why I am absolutely convinced that, of all the issues that this Community is concerned with, one of the most important is this particular issue, not just because of the economics but because it is one of the means whereby we are going to get rid of that nineteenth century imperialist construction, the nation State !

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, I will do my best to answer the questions which have been put to me and to express the Commission's views on the points — or at least the most important points — raised in this very interesting debate within the time-limit fixed by the House. I see I have about a quarter of an hour.

This is not the first occasion on which I have had to thank Mr Delmotte, and thank him warmly, for the helpful criticism which he continues to contribute to the development of the Community's regional policy. On this further occasion I thank him out of real gratitude and not out of mere politeness. I must also thank the Committee on Budgets for the contribution it has made on the matters within its competence, and all those to whom I have listened with such interest and to whom I hope to reply adequately, if not at great length.

Mr Delmotte was right in saying that the Report on the Regional Fund for 1977 refers to a particular context. He called it a swan song, the final report on the last of the first three years of the Regional Fund but it is a report which coincides with the conclusion of one stage and the beginning of another.

I must say with the utmost candour and sincerity that I do not share the view expressed by those speakers who believe that the regional policy and the Regional Fund have lost their initial impetus. As Mr Delmotte

said, there was very little impetus in the three years from 1975 to 1977. The next report which we shall be submitting will show 1978 to have been a year poised between the past and the future, so to speak. This is because of the remarkable fact that it was the year in which we should already have had the new Regulation and the new regional policy guidelines which, however, as Mr Delmotte reminded us, the Council of Ministers did not adopt until a few days ago.

The Regional Fund has had a curious history, as though its fate was ruled by the Number 3. The Fund has been in being three years; three years is the period prescribed for it, as in the case of the regulation; and it has taken a matter of three years for the Council to adopt the Commission's proposal.

Have we nothing to learn from the extraordinary length of time which elapsed between the Commission's proposal and its adoption by the Council of Ministers? I think it brings home to us the difficulties and obstacles which lie in our path and it will take a long time before we reach the end of it. Some speakers referred to the Commission's lack of courage and enjoined us to show a bit more. I accept the reproach and the injunction as far as I am concerned. But, Mr President, is it really a question of courage? I do not think so; nor do I believe the Commission can be accused of being in a state of fear or outright panic when dealing with the Council. The fact is that we have to deal with something much more tough and intractable and that is the resistance which we encounter in the Member States. Nowhere is this more marked than in the case of additionality, which I'll come to in a moment. We encounter this resistance in the Member States, the Governments and the parties which form the majority in the national parliaments. This is the situation we have to reckon with and it represents a balance of forces which, eventually, is only too faithfully reflected at Council of Ministers level.

That is the source of the trouble and the cause of all the complaints and all the shortcomings which were referred to by the rapporteur and those who have taken part in the debate. The comments that have been made are undoubtedly justified and I agree with them; the problem is not confined to the Regional Fund or regional policy, which are not one and the same thing. We must not make the mistake of thinking that the Community's regional policy operates only through the Regional Fund.

The new phase which the Commission wanted to inaugurate with its proposals of June 1977 and which were not adopted by the Council of Ministers until 6 February 1979 is marked not only by the new regulation on the Fund but, more particularly, by the regional policy guidelines and the method of appraising and evaluating the regional impact of Community policies, and we must make this appraisal

Giolitti

and evaluation *a priori* so that the result can be taken into account in determining the objectives of the various Community policies which have a regional impact, especially agricultural policy. It was not by chance that, on the subject of policy on agricultural structures, we managed to give it a regional dimension and introduce the coordination of the financial instruments, in particular between the Regional Fund and the Guidance Section of EAGGF.

It is right that we should think in terms of this wider dimension, as Lord Bruce did when he referred to the McDougall Report. Here we are at the heart of the matter and it is in this framework that we must deal with the problems of regional policy. Here again, however, we realize how firm and unrelenting the resistance is in the Member States and, in consequence, at Council level.

Lord Bruce asked me to say how far we had gone in our consideration of the McDougall report which is one of those studies or reports which are a constant source of assistance to the Community institutions in their work. As far as I am concerned, I made use, I think effective use, of the McDougall report in the comprehensive paper I had to submit to the Commission on the coordination of the financial structural instruments.

I made extensive use of the McDougall report in the proposals I submitted to the Commission during the meeting at Comblain-la-Tour a few months ago, when we were in fact proposing to take a wider and longer-term view of the question. There can be no doubt that the McDougall report makes it abundantly clear that both the Regional Fund and the Community finances as a whole are below the minimum level necessary to have any decisive effect for the purposes of removing the disparities which exist in the Community and of ensuring an effective and systematic transfer of resources in order to make the Community a more closely-knit unit.

The modest and unpretentious scale of the Regional Fund's endowment is, therefore, a reflection of the imbalance which characterizes Community policies as a whole and tribute must be paid to the determined manner in which Parliament expressed its opinion on the subject when, during the debate on the Community budget, it concentrated its efforts on the Regional Fund, decided to increase it by a substantial amount, and, in so doing revived what had been the original proposals of the Commission on this subject. However, despite the ambivalent situation in which we were placed during the whole of 1978, when we had a lapsed regulation without having another in its place, because it had not yet been adopted, and, despite the legislature's sabbatical year, I can assure Parliament that the management of the Fund for 1978 was carried out with scrupulous propriety and nothing has occurred which might affect the esteem in which,

thanks to the satisfactory relationship between commitments and payments, the management of the Fund is held.

To answer Mr McDonald's specific question on this subject, the Member States used up the whole of their quota in that period whereas, of course, the non-quota section was, pending the appearance of the new regulation, held in abeyance. Now that the Council has adopted the regulation and in doing so established the non-quota section, it will be used during the current year, 1979. I am grateful to Mr Delmotte in this connection, too, for having emphasized the important step forward which the establishment of the non-quota section represents. Unfortunately I can only endorse what he said about the meagreness of the Fund. At the same time, I should like to assure Parliament that because we have such a small and meagre non-quota section at our disposal, this does not cause me or the Commission to wring our hands and say: 'They have given us so little, whatever can we do with it?' No, although it is so little, we want to demonstrate the value of this new instrument of regional policy, which is so much in the spirit of the Community and which is an advance on the system of quota distribution between the Member States.

And now I come to what seems to me to be the central issue of the debate, that is, additionality, which is connected with the question of information and publicity. They are connected because the difficulties we encounter are the same in each case: we fail to get additionality for the same reasons why we fail to get information to the extent that we should like. Here again I am compelled to mention the difficulties created by the attitude of the Member States and their Governments.

On the subject of additionality we have had as you will have seen from our report for 1977, to state that what we said about additionality in our report for 1976 still applies. In the 1976 report, on pages 23 and 24, we listed the Member States in alphabetical order and gave detailed information in each case about the way in which the Government concerned had acted on the subject of additionality. The 1976 report also stated that the Commission had submitted the question for consideration by the Regional Policy Committee on which all the Member States are represented.

The Committee recommended that the Governments should introduce a budget heading in their national budgets, at least in the 'Income' section, identifying monies received from the Fund so as to enable national Parliaments to verify that the principle of global additionality had been carried out.

This is as far as we have got and this is why we have not been able to get over the difficulty. My reply to Mrs Ewing's specific question is therefore as follows: as far as grants to individual firms or private investors

Giolitti

are concerned, the present position is that a Member State can either use monies from the Fund as supplementary aid or enter the grant as an item in its national budget. The position would certainly be improved if there were more direct and frequent contact between regional and local bodies and authorities and the Commission and I am always prepared to play my part in this.

Mr President, I realize that the time at my disposal does not permit me to cover all the ground we have been over in this debate. I should nevertheless like to assure the House that the views expressed in the resolution moved by Mr Delmotte and by the various participants in the debate will encourage us in our unremitting efforts to enhance the effectiveness of a policy which, unfortunately, was adopted very late in the history of the Community but is, as it should be, acquiring increasing importance.

President. — Although it is now 8 p.m., I would ask the House to permit Lord Bruce and the rapporteur to speak again. However, applying paragraph 7 of the provisions governing the organization of the work of the sittings I shall reduce their total speaking time to 5 minutes.

I call Lord Bruce.

Lord Bruce. — Mr President, I shall need only one minute of your time. In view of the ruling which the President arrived at earlier, that we should cease our activities at eight o'clock, and in view of the fact that it must have been quite clear to the President's office that tonight's proceedings would barely accommodate the item that we have just been discussing, I rise to enquire when items No 364, 406, and in particular 379 on today's agenda will be discussed. I have, of course, a particular interest in No 379, which deals with all the matters that arose subsequent to the Amoco Cadiz disaster, and I would like your guidance, in view of the fact that the parliamentary staffs make their own administrative arrangements, to know just when these items are going to be discussed.

President. — I shall reply to Lord Bruce after the rapporteur has spoken.

I call Mr Delmotte.

Mr Delmotte, rapporteur. — (F) Mr President, I shall be brief in view of the fact that none of those who have spoken raised any objection to the resolution I am proposing. I thank them for their helpful remarks.

What can one conclude from all this? I think we have attracted the Council's attention and that it will have to take this evening's strictures seriously. I trust it will not regard the matter as over once this debate is closed. It must also be made clear to the Member States that their behaviour, which has little to do with

the spirit of the Community, and their rejection of the simplest form of control have brought things to a head. And the Commission must be reminded of its failure to observe the regulation and the presentation rules.

I am grateful to Commissioner Giolitti for what he said. However, I trust that despite the somewhat pessimistic tone of your comments just now, you will have noticed, Mr Commissioner, that, underlying the speeches made by honourable Members and by myself, there was not an invitation but an injunction to you not to abandon hope and further effort in the face of the situation on finances, the lack of understanding and other hindrances but to carry on and enable us in this House to give effective support to the work you are doing by condemning our Governments whenever they fail in their obligations under the regulations or the Treaties.

Although from time to time we put your head between the hammer of the Parliament and the anvil of the Council, each of us does his best, we by doing what we can about the Government in our respective Parliaments and you by refusing to treat the inadequate resources made available to you as an insurmountable obstacle in making a policy effective, and I assure you once more of our support. You should not regard what has been said in today's debate as unhelpful criticism. On the contrary, we are with you so long as you are with us.

And I should like some honourable Members to note that inconsistent behaviour is not confined to the Commission. It is pretty widely known that, not long ago, in December 1978 to be precise, some Member States were in favour of increasing the ERDF, and this prevented the Council from rejecting the amendment of the European Parliament because rejection required a qualified majority. Now, however, some of those States are refusing to pay their contribution to the Community budget because of the increase in the ERDF. That is an example of inconsistency for which we cannot, in this debate, blame the Commission. Personally, I think the Commission do their best with the resources available to them.

President. — I note that there are no further requests to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow during voting time.

The debate is closed.

With regard to Lord Bruce's question, I am afraid he will not be satisfied with the answer I have to give: it is a question of what should be done and how it should be done. With regard to the question whether the items should be placed on tomorrow's agenda in order of importance — for example beginning with Mr Jenkins' statement, or another item — this, I feel, is a matter which would be decided tomorrow morning by the various political groups.

President

For my part, all I can do for the moment is to apply the provisions we have adopted; this is the procedural question. Paragraph 5 of these provisions stipulates that the first item on Tuesday's agenda should be items not taken on Monday afternoon.

14. *Agenda for next sitting*

President. — The next sitting will be held tomorrow, Tuesday 13 February 1979 at 10 a.m. and 3 p.m. with the following agenda:

- Oral question with debate to the Commission on Calabre;
- Oral question with debate to the Commission on southern Italy;
- Bruce report on shipping regulations;
- Presentation of the Twelfth General Report (1978) and the programme of work of the Commission for

1979 followed by statements by spokesmen of the political groups;

- Oral question with debate to the Commission on medical apparatus and equipment;
- Oral question with debate to the Commission on opinion polls on direct elections;
- Oral question with debate to the Commission on Mr Adams and Hoffmann-la-Roche;
- Hughes report on the common fisheries policy;
- 3 p.m.: Question Time (questions to the Commission);
- 3.45 p.m.: Voting time.

The sitting is closed.

(The sitting was closed at 8.10 p.m.)

ANNEX

Commission action on Opinions adopted by the European Parliament at its January 1979 part-session

1. At its part-session in January 1979 the European Parliament adopted 13 Opinions on Commission proposals to the Council.
2. In the following seven cases the Parliament approved the Commission proposals :
 - report by Mr Halvgaard on the Directive on the marketing of straight animal feeds ;
 - report by Mr Durand on two Directives concerning brucellosis and tuberculosis in cattle ;
 - report by Mr Früh on a Regulation on the common organization of the market in hops ;
 - report by Mr McDonald on the Directive concerning vehicle lights ;
 - report by Lord Bruce on the Decision on supervisory procedures for shipping ;
 - report by Mr Amadei on cultural action by the Community ;
 - proposal concerning the levies to be applied in respect of adult cattle imported from Yugoslavia.
3. In six cases the European Parliament proposed amendments to the Commission proposals and in five of these the Commission accepted the parliamentary amendments :
 - (a) *report by Mr Notenboom on the 8th Directive, laying down detailed rules for VAT repayments* (Doc. 543/78)
 During the negotiations at the Council, the amendments proposed by the Parliament were taken into account from the start and were included in the present version of the proposal for a directive, which is still under consideration.
 - (b) *report by Mr Dinesen on a proposal concerning the protection of employees in the event of the insolvency of their employer* (Doc. 552/78)
 An amended proposal, taking into account the modifications accepted by Mr Vredeling, is being prepared and is to be adopted by the Commission this week and subsequently sent to the Council and the Parliament.
 - (c) *report by Mr Krieg on two proposals for treaties relating to the liability and protection under criminal law of Community officials* (Doc. 498/78)
 Vicomte Davignon expressed his comprehension for the parliamentary opinion at the last part-session. The Commission is to ensure that the spirit of the amendments is respected during the Council negotiations, although, in view of the positions of the Member States at the present discussions, it is not presenting any formal amended proposals.
 - (d) *report by Mr De Clerq on a second research and development programme* (Doc. 499/78)
 An amended proposal incorporating the parliamentary modifications has been sent to the Council and the Parliament.
 - (e) *report by Mrs Squarcialupi on a directive concerning the limitation of noise emitted by compressors* (Doc. 469/78)
 An amended proposal is to be formally adopted by the Commission in the next few days and sent to the Council and the Parliament.

In one case the Commission explained why it wanted to maintain its proposal. This was in connection with the report by Mr Dalyell on *a proposal concerning the granting of financial support for projects to exploit alternative energy sources*. (Doc. 557/78).

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IN THE CHAIR: MR COLOMBO

President

(The sitting was opened at 10.05 a.m.)

President. — The sitting is open.

1. Approval of the minutes

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

2. Documents submitted

President. — I have received from the Commission the Twelfth General Report on the activities of the European Communities in 1978 (Doc. 615/78).

3. Urgent procedure

President. — I have received from Mr Dankert, on behalf of the Socialist Group, a motion for a resolution with request for urgent debate pursuant to Rule 14 of the Rules of Procedure on an appeal for clemency for the life of Mr Bhutto (Doc. 621/78).

The reasons supporting the request for urgent debate are annexed to the document.

Pursuant to Rule 14 (1), second sub-paragraph, of the Rules of Procedure, the vote on this request will be taken at the beginning of tomorrow's sitting.

4. Agenda

President. — In accordance with the enlarged Bureau's decisions on the organization of business, yesterday's sitting was closed at 8.00 p.m. However, on the agenda for today, which was drawn up last night and distributed this morning, the first items are those that could not be taken last night — the joint debate

President

on the oral questions on Calabria and southern Italy and the report by Lord Bruce on shipping, which are to be followed by the statement by Mr Jenkins.

By virtue of the authority conferred in me on the organization of the proceedings, I propose that we begin this sitting with the statement by Mr Jenkins introducing the general report and that we then continue with the rest of the agenda.

I call Mr Fellermaier.

Mr Fellermaier. — (*D*) Mr President, I would just like to be quite sure. The German interpreter said that the annual statement of the European Commission would now be given followed by the rest of the agenda. Am I to understand that this means we first have the statement of the President of the Commission including the intended first round of discussion and then the continuation on Thursday?

President. — That is correct.

I call Mr Klepsch.

Mr Klepsch. — (*D*) Mr President, my question is purely in the interests of clarification. I would just like to take Mr Fellermaier's question a little further. We all regretted that the 8.00 p.m. time limit yesterday left three questions outstanding. Yesterday, however, when deciding on the agenda we had a long discussion on today's order of business. I am afraid that if we now automatically, as we would normally have done, start with the three points outstanding from yesterday's business, then we would more or less be nullifying what we agreed yesterday. But now you have said: then we have the rest of the agenda. But yesterday we also had a dispute about the remainder of the agenda. We agreed that Krouwel-Vlam should come before the midday break and then the items by Mr Pintat and Mr Prescott. If we put this off then I think we shall have another agenda debate on our hands.

Hence my question as to whether I am right in thinking that you intend to put the outstanding points from yesterday at the end of today's agenda and not at the start. Because today we want to have the debate with the Commission. I have contacted the other chairmen of groups and we would all agree to your proposing simply to place these items at the end of the agenda so that we do not once again have the same debate as yesterday.

President. — I call Lord Bruce.

Lord Bruce of Donington. — Mr President, following the point raised by Mr Klepsch: yesterday, when we discussed today's agenda, we were, of course, unaware that three items were going to be left over. I would have thought therefore that the correct procedure would be, as I gather you have yourself sug-

gested, that we take Mr Jenkins's statement and the first part of the debate, following which we resume yesterday's agenda. After that the items scheduled for Tuesday should be taken. Otherwise we are faced with the intolerable position that every time we cease business at 8.00 p.m., the remainder of the agenda falls into complete limbo to be put in at the fag-end of any other day that happens to become available.

President. — The proposal is as follows: we shall begin with the statement by Mr Jenkins and the first part of the debate, and we shall then take the items left over from yesterday's agenda, namely the oral questions by Mr Vitale and Mr Klepsch and the report by Lord Bruce, followed by the rest of the agenda. That is the proposal I just made.

There is however another proposal from Mr Klepsch, to which he says the other political groups have agreed. If Mr Klepsch maintains this proposal, I shall ask the other groups for their opinions.

I call Mr Rippon to speak on behalf of the European Conservative Group.

Mr Rippon. — Mr President, I think your proposal is a very sensible one: that we take the statement by the President of the Commission and the first part of the debate and we then, as Lord Bruce says, go straight on to the items left over from last night and then proceed with the rest of the business.

President. — I call Mr Klepsch.

Mr Klepsch. — (*D*) Mr President, I had already asked the Conservative Group as well, but since it has changed its opinion I withdraw my proposal. I would nevertheless like to say that we are getting into an impossible situation. Every time, we discuss and decide our agenda for the next day. Debates are held and explanations given. But since we have the rule of stopping without fail at 8.00 p.m., it means that the agendas prepared for the following days — every day I'm afraid — take on a completely different appearance from what has been agreed by the House. Items which we intend to deal with at the end of the agenda are suddenly brought forward to the best times the next day. In the future the object will be to have an item placed last on the day's agenda so as to be sure that it will be discussed the following morning. Whether that is in accord with the feelings of the House I do not propose to discuss but I am ready — since, unlike what I told you, it is not true that the chairmen of groups who were asked agree with me — to withdraw my proposal.

President. — Thank you for your cooperation, Mr Klepsch.

The order of business is thus agreed in accordance with my proposal.

(*Applause*)

President

I feel I must point out that these problems have arisen because we are trying to do two incompatible things we have a heavy agenda and at the same time, there is a time-limit on our proceedings.

This matter will be referred to the Bureau with a view to its taking appropriate action.

5. Twelfth General Report on the activities of the Communities in 1978; Programme of work of the Commission for 1979

President. — The next item is the presentation by Mr Roy Jenkins, President of the Commission, of the Twelfth General Report on the activities of the Communities in 1978 (Doc. 615/78), and of the annual programme of work of the Commission for 1979, followed by speeches by representatives of the political groups.

I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, this is the third programme speech which I have the honour to deliver to Parliament on behalf of the Commission. I believe that this occasion marks the opening of a more momentous year of change for the Community than it has seen for some time. It may be a dangerous year; it will certainly be a challenging year; but out of the danger may come some opportunity.

The past twelve months have proved to be an intensive period of preparation, discussion and negotiation both within and beyond the Community. The fruits of that work and endeavour are now within our grasp. If we have the will to maintain the momentum which we have built up over most of 1978 — and I believe it is imperative that we should — this year should see the following developments: the establishment of the European Monetary System; the first direct elections to the European Parliament; the completion of the first stage of a three-part process leading to the Community's enlargement, with the signature of the Treaty with Greece; and the successful conclusion of major international trade negotiations in which the Community has been intimately involved. These developments and their outcome correspond to three basic priorities of the Community as we seek to meet the challenges of an increasingly complex and interdependent world. These are: to strengthen the internal organization and cohesion of the Community, and ensure its continued development; to enlarge the Community to include those European democracies able and qualified and anxious to join; to ensure that the Community as such makes its contribution to the management of the world economy.

For its part the Commission will fully discharge its responsibilities and do all in its power to further progress in these three vital areas.

The theme which I should like to stress to Parliament in the programme speech this year is that of interdependence. This is one major lesson which has been borne in on the Commission in the first two years of our mandate. We have seen that major economic upheavals outside the Community can profoundly affect our lives and plans. Equally, our own freedom of manoeuvre to influence events is circumscribed by our economic and social weaknesses. So while our own internal affairs are naturally at the forefront of our minds — and I shall speak of these presently — I believe that today, more than ever before, our internal preoccupations need to be seen against a background of developments outside the Community.

Recent months have shown us that the Community's international weight and presence is continuing to grow and to grow fast. With the President of the Council I represented the Community at the Economic Summit meeting at Bonn in July. We further developed the close relationship between the Community and the United States and we made some progress in establishing a more solid basis for our relations with Japan in the interest of world economic stability. Beyond this we established a new relationship with the countries of ASEAN and we concluded a trade agreement with China.

From this picture of events, I would like to single out two which are, I believe, particularly significant for the Community. First our relationship with the United States: apart from a steady flow of high level exchanges between Washington and Brussels, President Carter visited the Commission early last year and I went to see him in December. These meetings have enabled us to review the main issues which condition the relationship between the two biggest trading powers in the world, and to explore the possibilities for new fields of cooperation, particularly in the field of science and technology, which represents, I believe, a significant and hopeful field for future work together. Second, I refer to the trade agreement which the Community concluded with China last April.

China is the largest of the developing nations. She was not slow to recognize the reality of the Community, and when she decided to open up and to increase her international exchanges, the Community was among the first to whom China turned. I am confident that in 1979 we can develop our trade and understanding with China still further, and I will have these prospects before me when I visit Peking next week.

Nevertheless as a Community we still face difficulties and dilemmas in our relations with both industrial and developing countries. These have been underlined in two vitally important international negotiations which are now coming to a conclusion. I refer to the Multilateral Trade Negotiations at Geneva, and the negotiations in which the Community is engaged for

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a successor to the Lomé Convention. The Community depends more on world trade than any of our major trading partners. To that extent we wish to see the international trading system strengthened and extended in scope. We have therefore welcomed the emphasis which has been placed in these negotiations on attacking the multiplicity of non-tariff barriers which obstruct the flow of trade. But we have also been bound to recognize that it is not enough to pull down barriers wherever we find them. We have to ensure that the trading system which we are constructing contains its own checks and balances. We must ensure, for example, that it takes fair account of the new phenomenon of the highly competitive low-cost producer who can now make a deep and rapid penetration into a particular market in a way that can almost wipe out our own domestic production.

This phenomenon is only an extreme manifestation of a wider problem of adjustment to which protection cannot ultimately be the answer. Over the past year the Community has found it necessary to take a number of measures to safeguard employment in certain industries such as textiles, steel and ship-building which suffer acutely from over-capacity and excess labour, nearly always as a result of the growing ability of other producers outside the Community to produce these goods more cheaply. But these measures will only be acceptable to or negotiable with our trading partners if they are accompanied by active and responsible policies to adapt our economies to new circumstances. The Commission, which has had to take the lead in working out measures to provide a temporary shield for those industries under severe pressure is fully conscious of the need, in the coming years and at Community level, to shift the emphasis to the elaboration of that longer term framework within which industrial change can take place as well as to the promotion of growth sectors.

This need for adjustment is one of the main elements underlying both the Multilateral Trade Negotiations and our own domestic industrial policies. It also concerns us in our negotiations for a new Convention with the countries of Africa, the Caribbean and the Pacific. It would make little sense to offer generous aid and trading benefits to these countries if we refused to prepare ourselves to accept an increasing volume of those products which newly industrializing countries inevitably begin to produce and sell. Although the Lomé Convention has only been in operation* for some three years, I believe that the process of negotiating a new Convention is in itself valuable in acquainting us with the aspirations of the ACP countries and in acquainting the ACP countries with the Community's political and economic difficulties. For its part, the Commission will do all it can to see that the negotiations are concluded in good time for ratification by the 55 or more ACP countries before the expiry of the present Convention in spring 1980.

The Community is of course not alone in facing the problem of finding its place in a constantly shifting world economy. If there is interdependence between external and internal events, we have come increasingly to realize the degree to which all major trading partners are also interdependent. It is in this context that economic summits can have a particular significance. I believe that they have now become a permanent feature of international life and that they are beginning to make a major and welcome contribution to the management of the world economy. They do not, of course, solve all problems; they do not produce miracle solutions; but they mean that, from time to time, the leaders of the main nations have to concentrate, not only on domestic problems but on the impact of these problems on other nations and on the world economy as a whole. Their value is that they make everybody think in international terms. It is important that the Community has been able to play a significant role at these summits, and will continue to do so.

Last year, as we moved from the European Councils of Copenhagen and Bremen to the Economic Summit at Bonn, we saw a steadily developing economic and monetary policy which linked the Community's determination to create an area of monetary stability with its equally strong determination to see its major economic partners brought together in a balanced plan to stimulate economic growth. This year we shall see the same pattern of meetings with European Councils at Paris, Strasbourg and Dublin and an Economic Summit at Tokyo. I hope that we can move from meeting to meeting with the same sense of purpose and the same determination to coordinate, control and to some extent manage the major economic developments which so concern us all. I also hope it will be possible for the Community, fortified by the creation of the European Monetary System, to play a more positive role in discussion of international monetary problems. I am in no sense suggesting a down-grading of the role of the International Monetary Fund. But within the Fund there is scope for a greater European contribution, since economic and monetary policies are two sides of the same coin. A greater degree of understanding among the summit participants about the management of their currencies could only be beneficial.

I now turn to the Community's own efforts to create a new monetary system: a zone of European monetary stability. Such a scheme can make a major contribution to securing the growth so essential if the Community is to overcome its continuing deep-seated economic problems. The foremost of these problems is unemployment. Even if the total number of unemployed in the Community has not increased in the past year, the fact of six million unemployed is simply intolerable. The unemployed constitute a huge and urgent human reason for acting quickly to establish a system which favours stability and expansion, which

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strengthens our ability, acting together, to achieve a new price stability in Europe, and which can help to stimulate demand on a wide geographical basis. The sombre fact is that the rationalization of our labour intensive industries is only now beginning, and unless we can work to create the conditions for lasting and balanced growth in new sectors, the prospects will be gloomy indeed.

It is a matter for profound regret to me and, I, believe, to most Members of this House, that the European Monetary System could not be launched at the beginning of this year, as the European Council in Brussels had decided. But I recognize the crucial importance for the Community to decide how it is to deal with the monetary problems associated with the common agricultural policy if that policy and the monetary system are to work smoothly together. The essential point to make now is that I believe there is a political will for solution, that a solution is technically possible, and that we shall find it soon. But if the EMS — this new instrument worked for so hard over the summer and autumn and proclaimed in December — is to make that impact on our deep-rooted economic problems that I believe it can, it is essential that continuing thought, new efforts and new policies should be available to underpin and sustain what we are creating. The European Monetary System can give a major thrust to our objectives but it cannot become an isolated column too far in advance of the main army of economic advance. I have these points in mind:

First, we must accelerate the processes of convergence within our Community. This has long been the purpose of this and previous Commissions, but I cannot say that progress has been sufficient. We were encouraged by the decisions of the European Council in Bremen last June that Member States should pursue policies of concerted action. But a lot more needs to be done, soon and the Commission will bring forward proposals to improve the mechanisms and increase the momentum of coordination.

Second, the Community should make much more of the benefits of the existing Common Market so as to ensure a better balance of economic activity within it. Last year we put our thinking into a five-year outline programme. In 1979 we shall be bringing forward proposals in some areas, ideas for discussion in others. The aim of both will be to increase the flow of goods and services, and to make progress, for example, in lowering non-tariff barriers. We also want to make rapid use of our new borrowing instrument to improve the social and economic infrastructure in sectors and areas in difficulty. I have new transport links particularly in mind. We shall be outlining our ideas in a paper early in the year.

Third, we need to deal with the special difficulties of less prosperous Member States, not only to underpin the European Monetary System, but also in pursuit of

our general aim of reducing economic disparities within the Community. Here we already have a new instrument in the shape of the interest-subsidized loans which the European Council agreed in December should be made available to Italy and Ireland within the framework of the EMS. But this is only part of the renewed effort which we must make for the poorer areas of the Community. To this end the Commission is, as requested by the European Council, re-examining the role which the Community's instruments, jointly and separately, can play in promoting convergence. We shall present that paper to the European Council in March.

I now turn to two further policies on which the Commission will strive to make progress in 1979, both because of their intrinsic importance to the Community, and as part of the strategy by which we aim eventually to arrive at economic and monetary union. I refer to the internal market, and to energy policy.

The Common Market is both the starting point and the centrepiece of European integration. It is particularly important that it should function smoothly. It was once thought that, with the creation of a common customs area, with unified rules for trade with third countries, all internal barriers to trade would wither away. The reality has been different. Paper work at intra-Community frontiers has not diminished. Formalities and procedures continue to vary from Member State to Member State. They remain a hindrance to export business, particularly for small and medium-sized firms which still find it difficult to operate beyond their own national frontiers. Intra-Community trade has of course greatly increased, but we have scarcely started to exploit the full advantages of our vast internal market. The Commission will be bringing forward this year a new five-year programme designed to establish the customs union on a more solid basis through the progressive introduction of Community customs legislation, administered on behalf of the Community, and through measures to encourage a far freer flow of goods over our internal frontiers.

On energy, we have recently had a vivid reminder of the fragility of the technology on which our way of life is based. Large parts of Europe were paralysed by deep snow and ice; entire regions were cut off; electricity supplies were stretched to their limits and beyond; communications broke down; many of our citizens were faced with a lack of means to keep themselves and their families warm. It is in just such a situation that our dependence on electricity, oil, and coal, and on other energy supplies is brought home not just to Governments but to almost all the people of the Community. The vagaries of the weather underline yet again the view that I put to Parliament last year about the urgent need to recognize our limited energy resources, to exploit new and additional means of supply and to reduce our own consumption of energy.

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External events — both the recent OPEC decision to increase oil prices on the world market and the grave developments in Iran — only serve to emphasize the continuing relevance and the urgency of the problem ; yet not much has been done about it in the past year.

In a few words, how are we to secure a drastic and permanent reduction in our oil imports ? How are we to secure a sustained and significant cut-back in energy consumption ? How are we to develop new and unconventional alternative sources of supply ? How are we to exploit and use to the best advantage our available energy resources ? We have little time left. It would be very dangerous for people or governments to allow themselves to be lulled into a false sense of security by the fact that there has been no major oil or energy shortage over the past few years. If we do not take action soon, there can be no doubt that during the 1980s we shall enter a permanent and debilitating energy crisis and we will have wasted years during which we could have prepared for and avoided such circumstances.

(Applause)

Much work is already being done by Member States and at Community level. But the scale and nature of the issues suggest that more common and Community action, rather than disparate and national action, is required. First we aim to reduce the Community's dependence on imported energy to 50 % by 1985. This is from its present level of 56 %. The Commission is ready to help coordinate national energy policies to avoid duplication and promote major research and development projects on a Community scale. Second, we must prepare now for the post-oil era. Again we have already put ideas and proposals into our working programme, and will come forward with more. In the meantime we want to promote the widest possible debate on a theme which touches so many aspects of the future of our society.

I turn now to agriculture, the sector of European affairs where the Community has the most concentrated responsibilities, and incurs most of its expenditure. The reasons for the preponderance of agriculture are a matter of history, and indeed arise from the origins of the Community. But I sometimes wonder whether it is wise for us to be so occupied with one particular sector, a sector whose share of our work force has fallen from 17 % in 1960 to 8 % today, and which now contributes only 4 % to our total gross domestic product.

(Applause)

Do not misunderstand me. I do not think that our responsibilities in agriculture should decrease, but rather that our responsibilities in other sectors should increase, thus bringing about a better balance within the Community which should by its nature concern

all our work force and our whole capacity to generate wealth.

(Applause)

This is a fundamental question which merits increasing attention as we look to the future development of Europe.

(Applause)

With enlargement, the importance of agriculture will of course increase in relative terms. In a Europe of twelve it will account for some 11 % of the work-force as against 8 % in present Community of nine. But the paradox of Mediterranean agriculture is this : that we cannot hope to improve the incomes of rural families solely, or even mainly, through agricultural support, but rather by developing other sectors of the economy in those regions so that, at last, there is a real alternative to work on the land.

It is in this longer perspective that I ask you to view our current policies. Last year I said we had not yet succeeded in mastering the problem of surpluses. In the intervening twelve months we have made progress in obtaining acceptance of our price policy, thanks in no small measure to the influence of this House. But I have to tell you that, despite that, the situation and prospects on the agricultural markets today are worse, not better, than a year ago. Milk production is accelerating, while consumption is static. Every third tonne of sugar that we produce is exported with the aid of an all too substantial subsidy. That is why we now insist on the need for a rigorous price policy for as long as the market imbalances last. This means a general freeze in the common prices for the coming season. With the other measures we have proposed, particularly for milk, this policy can succeed in restoring a proper balance to our agricultural policies. Indeed I say that it must succeed : for the alternatives that lie before us, if we fail in our efforts to solve this problem through the price and market mechanisms, will be even more unpopular with farmers than is the present situation with consumers.

If the surpluses have put the budget under intolerable strain, then the monetary distortions in agriculture have, like the invisible worm, been gnawing at the heart of the Common Market. In order to restore fair competition and bring back normal conditions of trade, we must return to the unity of the agricultural market. Here I am optimistic despite the failure to reach agreement at the Brussels Agricultural Summit yesterday. As regards existing monetary compensatory amounts, we cannot do everything at once : but we could make substantial progress this year, and move towards elimination over a period of a few years. As regards future MCAs, the introduction of the EMS should mean greater monetary stability, and thus less risk of the creation of new MCAs. It will also create an economic climate in which MCAs, whether old or new, can be eliminated in an orderly way. But I add a note of warning. In eliminating MCAs we must not

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compromise our price policy, or achieve the unity of the agricultural market at the price of abandoning our other objectives including in particular, the elimination of predictable surpluses. A temporary success of that kind would spell long-term defeat.

Finally there is our policy for agricultural structures. I would prefer a more humane word than 'structures', which smacks too much of technocracy and economic jargon. I want a term which would encompass all facets of the improvement of the countryman's way of life, and the advancement of the farmer's professional skills. For agricultural policy must, at heart, be concerned not with the number of cows or of hectares, but with persons and human beings.

(Applause)

Perhaps a better phrase is 'rural development', the promotion of all that can help people in predominantly agricultural regions to bring their living standards up to those shared by the Community in general. Here again the Commission is making further proposals which will advance the frontiers of our policy.

Next fisheries. Sometimes, as we discuss our policies in all their legal and political complexity, we tend to forget the realities that lie behind them in the world outside our conference rooms and assembly chambers. The fact impresses itself upon us when we look at the maps of fish stocks in the waters of Western Europe. The areas of spawning, of feeding, of migration, and of maturity none of these fits in with the geometry of median lines or of 200-mile limits. Fish are not respecters of territorial waters. No plan for the management and conservation of these fish resources can be framed in merely national terms. That, fundamentally, is why the absence of a common policy is a gain for no Member State, and for none of our fishing industries. It is a loss for all, and a loss which multiplies as time passes and stocks are depleted yet more. We shall therefore continue to press in the Council for decisions on fisheries.

In the coming year we shall also present our new programme for consumer protection. It will naturally come up for discussion in this House. I will not anticipate our proposals, but by way of example I mention one of them: a system for the rapid exchange of information within the Community on the hazards of dangerous products. Today I want to reaffirm that the interests of consumers, and their protection by Community law, remain central to the Commission's policies. The tasks assigned to the Community by the Treaties mean that all our actions have repercussions on consumers; and the Commission, with its particular responsibilities, has the duty to provide a better balance for the interests of consumers than they can obtain individually through the interplay of economic forces. The Commission will not evade that duty.

I have heard it suggested that the Commission's intention to apply stricter criteria to proposals for harmoni-

zation means that in future we shall put less emphasis on consumer policy. Nothing could be further from the truth: what we have determined is to avoid interference in consumer choice by legislative proposals for harmonization that is unnecessary and unimportant.

(Applause)

We cannot do a better service to the consumer, and to the Community's image, than to concentrate our efforts on what is really worthwhile, rather than dissipating them on matters that are not of vital importance.

(Applause)

In our environment policy we shall pursue a similar course, with proposals that concentrate on the priority areas of water quality, the effects of chemicals on health, and noise abatement. We hope also to open up a new dimension in public understanding of these questions by promoting facilities in each Member State for assessment of the effects of environmental hazards throughout the Community.

Mr President, I would like to end by looking forward to two major developments which will shape the future of the Community. Both direct elections and the forthcoming enlargement of the Community raise questions about the operation and the evolution of the Community's institutions. I welcome the initiative which has led us to the request for three wise men to study these matters and report to the European Council in the course of this year. At the same time, the Commission has decided quite separately to appoint its own independent review body to examine the structure and the workings of the Commission. This independent review body started its work at the beginning of this month, and we expect its report before the autumn. I hope that these reviews will lead to practical ideas for improving the functioning of the Community. At the same time, we need to guard against the view that procedural or institutional innovations can of themselves produce instant solutions to problems in the Community. Our difficulties often stem from deep-seated economic and social disparities which are bound to engender their own pressures and conflicts.

We are at present witnessing two important institutional changes within the Community framework. First there is the growing role of the European Council which has provided a vital impulse to the evolution of the Community, especially in the last twelve months. Second, we are on the eve of direct elections to this House which will constitute a significant strengthening of the democratic base of the Community's institutional structure. But there appears to be a gap: at present there are no contacts between the European Council and Parliament, and I believe

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that serious thought should be given to ways in which a link could be established.

(Applause)

The enlargement of the Community is also bound to have a significant effect on the operation of the Institutions. Last year the Commission produced a review of some of these implications. We shall do our best to ensure that the ideas which we put forward are seriously considered and implemented. At this stage I stress the importance of the Commission's management role in giving effect to the decisions of the Council. Without some extension of that role and better definition of the distinction between political and executive decisions, I fear that in an enlarged Community the risks of confusion and paralysis, which already exist, will become even more serious.

Direct elections to this House are now less than four months away. They represent the honouring of a commitment made more than twenty years ago, and in a sense complete the foundations which were then laid down. The long delay in fixing these elections, and the aspirations and, indeed in some quarters, the apprehensions which surround them testify to their crucial importance in our development. I believe that the Commission has over the years established constructive working relations with this House. I certainly believe that we have derived great value from the dialogues with this House. There have occasionally been arguments and tensions; that is inherent in the parliamentary process. But I certainly pay tribute to the value which we attach to the relations which have long existed and which we have endeavoured to strengthen still further during the life of this Commission. At the same time I welcome the prospect of the more intensive relationship which directly elected deputies may wish to have with the other institutions of the Community, including the Commission, in the name of their electors.

All the issues with which we deal, remote or technical as they sometimes seem, are directly and crucially related to the welfare of the citizen. The European Monetary System is ultimately about the value of the money in people's pockets. The common agricultural policy is about the balance between the money in the pockets of the farmer and of the housewife. There are many issues, some controversial, which will, I hope, become the themes for the electoral campaign which will shortly be opening. If the campaign can focus the attention of the Community's electorate on the essential purposes and problems of the Community, then it will have resolved something which we have all found to be a major obstacle in our work, whether it be in the Commission, the Parliament or the Council, namely to make a reality to the individual citizen of the sometimes complex and obscure processes of Community life.

Any observer of the Community today must be struck by the complex variety of its activity compared with

only a few years ago. I believe that in 1978 we found a new sense of momentum — although some of it was lost at the beginning of the year; we must get it back. To do this will require unremitting effort, undeterred and undismayed by any temporary discouragements. The Community does not face an easy future. As we approach what I believe will be a difficult, certainly challenging, and possibly dangerous decade ahead for the Community in the world, internal unity will be of increasing importance. For its part, the Commission will continue fully to play its part as a source of ideas and initiatives for the strengthening of the economic and institutional basis of the Community enterprise. It will endeavour to continue to serve Europe as a whole and not just any one part of it.

(Applause)

President. — I call Mr Fellermaier to speak on behalf of the Socialist Group.

Mr Fellermaier. — *(D)* Mr President, ladies and gentlemen, in less than four months time the first direct elections will be upon us. This is the background against which today's speech by the President of the Commission must be considered. Not only this Parliament but all citizens interested in European policy are entitled to expect from this speech and the debate to follow it a sober statement of what has been achieved, an analysis of the problems and clear, courageous and — if necessary — even uncomfortable answers to the pressing problems of our time. We have to give reasons and justifications to the electorate for what the Community has done in past years. Speaking for Socialists in Europe I have to observe that the Community has not developed in the way we might have hoped in the interests of all its citizens. With concern we observe:

First the difficulties experienced in solving the tremendous problem of unemployment; secondly that there is a tendency towards less equality and solidarity whose effect is to deepen the gap between rich and poor regions; and thirdly, that uncontrolled increases in production and consumption are leading to the pillage of available resources and the pollution of the natural environment, and are doing so to the detriment of the living and working conditions of millions of working people.

We hoped that for all these urgent questions of today there would be answers in President Jenkins' speech. However, on behalf of the Socialist Group, I have to say that we find certain parts of the speech of the President of the Commission and the basic statement of the European Commission on its work in 1979 to be thoroughly disappointing. Many questions are indeed raised but the political courage to put forward clear and perhaps uncomfortable answers seems to have failed the Commission. In his speech, referring to the

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critical situation as regards energy supplies, Mr Jenkins said — and here I am quoting him direct — ‘again we have already put ideas and proposals into our working programme’.

What we are waiting for is fewer ideas and more concrete proposals in the form of directives and regulations. Those are the only things we can debate — not evasive action in the form of communications, Mr President of the Commission.

Under the Treaty, the Commission is called upon to be the mainspring of European integration and to develop policy proposals for the future. On the other hand we do not expect of this Commission that it should solve all the Community's problems once and for all. That would be far too easy, although public discussion would often seem to suggest that the glass palace in Brussels is the place where all those things can be accomplished for which the national governments and parliaments themselves lack the courage.

But, Mr President, what we really would have liked to see in this situation would have been concentration on a few essential problems afflicting the citizens of the Community, above all unemployment and social policy. But if I consider the speech that has just been made and the headings chosen by the Commission — external policy, the internal market, energy and consumers, to name just a few — I find no section on social policy. The very fact, Mr President, that social policy comes off so badly although you have a Commissioner for social policy in your ranks — distresses us and I very much hope that something will be done about this in the ensuing debate on Thursday.

The reason why we Socialists put unemployment and the fight against unemployment in the forefront is that we believe — because it is bringing suffering to millions of people in the Community — that it has to be seen as a consequence of the crisis in our present economic systems. Unemployment magnifies inequality. It limits women's right to work, dispirits the young who cannot find a job, breeds hopelessness and disappointment in society and will become a touchstone for this Community, particularly on 10 June. Then, no one will be able to evade their responsibility before history.

We Socialists want to ensure that all the Member States of the Community contribute to the restoration of full employment by restructuring the economy and through better instruments for its control, coupled with an active employment and training policy. The right to work is and will remain a basic claim of Democratic Socialists. In this connection it is important that the Community should have not only a coordinated policy for full employment but also a policy aimed at creating better working conditions. The traditional instruments of economic policy have proved themselves inadequate in recent years. An active

employment policy and basic economic planning are necessary to bring unemployment under control. We Socialists want a fairer distribution of available work, and one of the ways of achieving this in Europe could be a shorter working day and even the 35-hour week. We know, of course, that the Commission cannot decide this by regulation but, Mr Jenkins, it is part of its policy guidance function to raise these questions in the debate. Systematic vocational training and retraining measures are also relevant to this issue, and here we feel that the Social Fund should be opened out far more than it has been up to now.

The fight against unemployment requires long term structural reforms and economic framework planning. This we therefore recommend with the concrete proposal that the Commission should be invited to submit a regular structural report to the European Parliament every year. We recognize that the situation in the steel and the textile industries, interdependence in world trade and the effects, here in the Community, on millions of workers will require such efforts in the future that I feel we should really ask the Commission in an annual structural report to show quite openly where the changes are emerging and how, in the long term, concertation in approach and action may be arrived at between the Member States on the one hand and the institutions of the European Community on the other.

But such a policy also implies that we have better and more effective surveillance of national and multinational concerns and reach agreement between the most important industrial countries of the world. Here too we eagerly await the formulation of concrete proposals by the Commission. This common policy that, on behalf of the Socialist Group, I have tried to outline in this part can be implemented only in close cooperation with all the trade unions and in particular with the European Trade Union Confederation in which political forces from the whole of Europe — Christian Democrats, Socialists, Liberals and Communists, all work together.

But our feeling is that this tripartite conference that was once conceived as a promising forum for high-level dialogue on those questions, has in the meantime, as far as its results are concerned — become the opposite. The bigger the effort put into the tripartite conference the more minimal the results that can subsequently be put into effect. Up to now in the Community we have striven with much success and great energy to make work more productive. Our knowledge, technical achievements and organizational know-how have been concentrated on increasing productivity. This has certainly made an appreciable improvement to the wellbeing of many people but the fair distribution of wellbeing and the fair distribution of work and income — like the humane conception of work — are still unsolved problems.

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The workers in this Community are therefore rightly concerned about the social aspects of European unity. The policy of the Community has to be seen against the background of the growing demand from workers that European cooperation be given a stronger social content.

Socialists in Europe are applying themselves to these tasks. For us the creation of humane working conditions is a priority. Improved social security, the promotion of consumer interests, the safeguarding of our environment and research in the service of man are all goals of our Community policy.

On agricultural policy, on the issues which you have opened up to debate with some courageous proposals, allow me to say that, for the Socialist Group, Article 39 of the EEC Treaty remains the basis for the definition of agricultural policy. That Article says that agricultural productivity has to be increased, persons engaged in agriculture must share in the general growth in earnings, markets must be stabilized, supplies assured and consumers provided with supplies at reasonable prices. Have these objectives of the Rome Treaty been achieved? We Socialists say no, they have not yet been achieved but they have not even been achievable because we are still really living in an unreal common agricultural market. This is a fact and you, Mr Jenkins, expressed optimism at the close of yesterday's sitting of the Council. I can only say I hope to God you are right. We Socialists say it is gradually becoming unendurable. Where is the outcry from the Commission about what is continually being shelved? No solution of the fisheries problem because a Member State has blocked it. No solution of the compensatory monetary amounts and therefore no solution for the European Monetary System. To our way of thinking these are so many minus points that will be set against all the other good intentions of the European Community at the direct elections. On these matters, people will ask: why is this still on the shelf? When I think that, so long as there is no agreement on monetary compensatory amounts then there will be no agreement on the proposed agricultural prices for 1979/1980 then all the nine countries of the Community really have all they need to talk about in the agricultural sector. None of the political parties needs to bother their head about their platform for the election campaign. The bitterness of people at the fact that these things are so long delayed will be enough to ensure that this becomes an election issue in the agricultural sphere.

Agricultural policy must no longer be seen on its own as simply price policy. It must be enshrined in a long-term concept of regional industry and manpower policy and the interests of consumers must no longer be an appendage of agricultural policy. The Socialist Group has put forward concrete proposals for a reform

of Community agricultural policy along these lines. One of its points is that the dependence of agricultural on upstream and downstream industry needs to be reduced in the interests of farmers and consumers. A long-term policy on agricultural structures is all the more necessary in that increasing imports of agricultural products from third countries and particularly the developing countries will have serious effects in some cases on the employment and production situation in the Community.

Allow me to make a brief comment on the Community's external policy that will be amplified by our group in the debate on Thursday. I feel that the present events in Iran have made clear to us all how greatly the European Community can be affected internally by external events. Since the responsibility of the Community in the rest of the world is continually increasing we must also clearly realize that gradually we have taken on and are still taking on so many obligations — whose effects are wholly unpredictable — in the external policy and external trade policy situation that they could well, in certain circumstances, be too much for the Community's internal capacity and growth. As Socialists, we would like the Commission to make a real attempt to compare the debit and credit sides and to see whether the pace of our external trade policy, the series of treaties and the worldwide cooperation which we too desire may not, on the other hand, lead to explosive developments in the Community, for we feel that these are precisely the troubles that could occur as the results of restructuring problems in the affected regions. The demonstration march on Paris announced yesterday by the French steelworkers is a sign of such an eruption and will naturally be seen by those concerned as being connected with the external trade policy commitments we have entered into.

You have paid a tribute to the Lomé Convention. We would have liked to hear from the President of the Commission something about the inclusion of human rights as a basic part of the new Lomé Convention. It is on this that we Socialists, at any trade, will be judging the new Lomé Convention.

The address of the President of the Commission, the last part of which deals with the Institutions, and in particular his remarks on the work of the Community Institutions plainly, begs the question of the role of the EEC Commission. This Commission, Mr Jenkins, commands know-how, has outstanding politicians in its ranks and has the necessary legal position in relation to the Treaties to assume its intended role as the mainspring of integration. It must not be released from this responsibility even though it often gives the impression for certain periods of time that instead of being a collective institution it is more the net result of individual conflicts between separate Members of

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the Commission. Your announcement, Mr President, that as well as the three wise men born in the Elysée Palace and then taken over by the Heads of State and Government there will now be other wise men to advise the Commission, and your words about what is to be changed in the Commission met with some surprise in the Socialist Group. Is it just a question of setting up a new Committee? We remember that such an experiment was once made by a predecessor of yours in office and, at the end of its labour, the mountain brought forth a mouse. What is this new committee going to do? Presumably it will produce a carefully weighed report. But will this make any change to the visible and permanent weaknesses in the Commission? Does the Commission, which is made up of politicians, no longer have the inner strength to reform itself? Is it so embedded in the bureaucracy of this glass palace that it cannot, with its powers to issue directives, recognize and change these things but needs a committee of three wise men to do so?

Weaknesses in the machinery cannot be avoided by reports; they have to be overcome by political courage. Allow me, in this connection, to add a completely open comment to what the Commission has had appear in recent weeks in the headlines of the daily and periodical press.

For many many years we have been insisting in this Parliament that a European Court of Auditors be set up. Now we have the European Court of Auditors and I am sure that, as Europe's financial conscience, it will check everything in its normal investigations of the Commission's activity and report to Parliament. We should be careful not to voice any over-hasty judgements on anyone or anything. We have faith in the objectivity and independence of the European Court of Auditors. From it we expect thoroughness in its auditing which, in the spirit of equal treatment, must extend not only to the Commission but also to the other Community Institutions — the Council of Ministers, the European Court of Justice and this Parliament.

The European Court of Auditors is not some kind of authority in opposition to the Commission. Instead it should subject the work of the Institutions of the European Community as a whole to critical scrutiny. So we eagerly await the report remembering that already in its first report the European Court of Auditors gave plenty of food for thought both to this Parliament and to the Commission, particularly on the question of the Commission's power to alter a great many things in the organisational structure.

I hope that the Commission will look into these things with an open mind a fundamental readiness to cooperate with the Committee on Budgets of the European Parliament.

The President of the Commission concluded by saying, in connection with his comments on the election campaign that is just beginning, that the Commission had built up constructive relations with the European Parliament over the years. We all remember, Mr Jenkins, your assurance in the first speech you made in this House, that this Commission would treat this Parliament as though it were already directly elected. With that promise the Commission certainly aroused hopes which unfortunately have been dashed in more than one case during the past few years. Let me say quite frankly on behalf of my group that relations between Parliament and Commission are no worse, but neither are they any better by comparison with relations with the previous Commission.

As we now move into direct elections, relations between Commission and Parliament will naturally continue to be shaped by the basic provisions of the Rome Treaty, but they will also be affected by the fact that the questions of the citizens flocking to the polling stations on 10 June will, in the following five years, become much more insistent, and to that extent we shall be entering a new phase in the relations between the Commission and the Council.

From the electors, Mr Jenkins, there will be no understanding for proposals by the Commission collecting dust in the drawers of the Council of Ministers. The elector will question his directly elected representative and the elector can demand that the Commission name both horse and rider. At the last part-session in January, I asked the French President of the Council the reason why so many proposals, regulations and directives proposed by the Commission came to a dead end in the Council of Ministers. I received no answer from the French President of the Council. I then, as you will remember, asked whether the Commission was doing too much and whether the Commission was making too many proposals for regulations and directives, was it overloading the Council of Ministers? I received no answer to that either from the French President of the Council, which did not surprise me in view of the attitude of the French Government to this Parliament.

I therefore ask you, Mr Jenkins, whether the Commission produces too many proposals for directives and regulations for the Council. Is the Council of Ministers really not in a position to deal with what the Commission, in its interpretation of its responsibility, feels it has a duty to propose? This question will have to be cleared up finally and unequivocally for European public opinion, because electors have a right to know why the process of the internal development of the Community has been delayed year in year out.

(Applause)

IN THE CHAIR : MR HOLST

Vice-President

President. — I call Mr Notenboom to speak on behalf of the Christian-Democratic Group (EPP).

Mr Notenboom. — (NL) Mr President, I would like to thank Mr Jenkins for his speech and for the efforts he and his colleagues have made in the past year. The reaction of the Christian-Democratic Group, that I shall now outline, is general and very incomplete. Some of my colleagues will of course go more deeply into certain subjects on Thursday. I readily state my agreement with Mr Jenkins's view of the interdependence of countries in the world. We must indeed look at today's problems more than ever in that context. This is self-evident in the case of development cooperation, but it also applies to Economic and Monetary Union and the EMS and naturally, too, to the need to restructure our economy in the light of the new world situation. Unemployment, too, must also be viewed from this angle.

It has been observed more than once that the Community is considered and felt to be a powerful and influential unit more by third countries outside the Community than within the Community itself. With Mr Jenkins I hope that the information given out in connection with direct elections will help to make Community problems — and the Community potential to solve them — more clearly understood by the public. To me, this seems a tough job and Mr Jenkins hinted in a similar direction. The main reason is that Community news in the past has been regarded in several Member States as a back number.

Mr President, I see many positive elements in Mr Jenkins' speech and in the accompanying memorandum but, like the previous speaker, I have serious criticisms to make on some parts, and not the least important. The speech rightly refers to the European Monetary System as one of the most important subjects. Our Parliament has always shown special interest in initiatives and projects in that area. These concern, essentially, not only further integration but the maintenance, itself, of what we have already achieved. I would mention, with thanks, the work already done by the Commission and the communications in late 1977 and, preceding them, the speech made by Mr Jenkins in Florence. All this, together — I hope — with the full determination of my group whose intention was to strengthen the formation of public opinion and the formation of political will in this area, contributed. The concrete approach however, was the bilateral initiative of two heads of governments. This was — I believe Mr Müller-Hermann said this last year — more than a slight mistake, but after the European Council meeting in Brussels the initiative returned to the Community mainstream. After that a great deal of work was done by the Community

institutions and bodies, and of course by the Commissioners, with the result that, by the end of December eight Member States were ready to participate in a system that, at the time, had got the agreement of all Nine. To have to hear, Mr President, that suddenly obstacles have been raised by one of the initiators themselves, which put off the entry into effect of the European Monetary System for an indefinite time! I wonder whether the two countries whose initiative it was intentionally kept quiet about these problems in the early stages, and in so doing hoodwinked public opinion, not only in Europe but throughout the world, because they wanted apparently to take advantage of the favourable climate at that time for their own political prestige.

Now I do not underestimate the seriousness of the monetary compensatory amounts problem at all — it is very important — but I still feel that the two heads of government took the problem far too lightly by not having it on the agenda as an important feature from the start. I feel that Mr Jenkins has passed over this matter too casually. This also applies to the position of the European Council, but I shall return to that point in a moment. Our group here and now states that it fully supports the objectives of the European Monetary System and, in agreement with the European Commission, we see this in the light of European Monetary Union. From the outset we have laid strong emphasis on the coordination of economic policy, the political direction that is necessary for this and the financial resources whose help will be required. As always this point is the most delicate in the proposed system because we have plenty of skilled technicians to take care of the technical side.

We eagerly await the new proposals which Mr Jenkins announced for the improvement and speeding up of coordination procedures. All too often recently we have had to make do, to a large extent, with a description of the policy followed or proposed by the Member States. But guidelines help to bring about a convergence and to exercise a certain pressure to get a move on with economic, financial and budgetary policy. They are not only the conditions for obtaining medium-term assistance. They must apply to both the economically strong and the economically weaker Member States.

Mr President, I readily agree with what Mr Jenkins said about the internal market, namely that the Common Market is both the starting point and the centrepiece of European integration.

Naturally I do not mean that in the technical sense because, of course, it also means the resources. The ultimate aim is naturally people in Europe — their welfare, employment, in a word their happiness. But, Mr President, I am not clear about what he means when he says we have scarcely started to exploit the full advantages of our vast internal market. After all,

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we had considerable economic growth in the sixties and that, precisely, was largely a result of the EEC Common Market. If Mr Jenkins means that we have not done enough to apply that considerable growth to Community objectives because of the diverse uses made of it by the Member States, then I fully agree with him.

Mr President, these are minor points perhaps but I would like to mention them today. I am very pleased that the Commission is going ahead with removing obstacles at frontiers which, for many, blur the reality of what has already been achieved in the Common Market and above all hinder the development of small and medium-sized firms. Now I have referred to small and medium-sized firms; I would like to say, with gratitude, that very often specific passages in the documents we received last year from the European Commission were devoted to their problems. I see this as a sign of the readiness to follow an integrated policy, in other words a policy which takes account of the typical aspects of small and medium-sized firms in all relevant spheres. The help given to such firms is certainly not yet sufficient, but at all events we are on the right road. It is urgently necessary to continue in that direction because although the psychological climate at the socio-economic level in Europe is favourable for small and medium-sized firms, the initiatives giving them a chance of survival do not arise of themselves and automatically. For this a deliberate policy is necessary in a large number of fields, and I note that the Commission intends to pursue that policy.

I also appreciate the Commission's proposal that Community customs legislation be brought in under Community control. I would just invite the Commission, in this connection, to look into the huge problem of preventing evasion, because evasion at frontiers has long been more than just a question of harmless smuggling. Organized crime has stepped in, making wrongful use of customs levies and reimbursements.

The Commission's proposal to promote the free movement of persons, and of frontier workers in particular, is to my mind very positive. Its intention is to table proposals for better regulation of the taxation of earnings and incomes for those who live in one country and work in another. This could also, to some extent, provide a solution to the unemployment problem. The unemployment problem, certainly the problem of youth unemployment, stems to a large extent from the lack of mobility. If mobility can be increased by this initiative this could well be one solution to the problem of unemployment. In themselves, the long queues that form morning and evening because of exaggerated customs formalities constitute a brake on mobility. And these problems often arise precisely in border areas where the socio-economic situation is less favourable than in the rest of the country. At all events, I am delighted that the Commission is concerning itself with all these matters.

Interesting too is the promised green book reviewing tax harmonization in the EEC. I hope the Commission will not confine itself to points it feels will be well received by the Council, but will go into matters which the Commission itself feels to be necessary for European integration and the attainment of our European goals. It is not a question of harmonization for harmonization's sake or harmonization for perfection's sake because, via a directly elected Parliament, the people who will have elected us this year will be looking more closely than before into what the Commission does.

It also struck me — as Mr Fellermaier so rightly said — that Mr Jenkins did not go into social policy in his speech, but we must of course admit that it is fully dealt with in the accompanying memorandum. There, unemployment is rightly the central point, especially that of young people, women and migrant workers. For me, paragraph 39 is particularly interesting; there it is stated that the Commission intends to promote a better distribution of available work. But it is also rightly said that this must be compatible with the requirements of productivity and competitiveness. I agree that Community coordination will be indispensable, although we Christian Democrats attach considerable importance to the responsibility of the social partners who should show a sense of that responsibility towards those who are outside the production process, against their will, because of unemployment. Whether the authorities will have to concern themselves urgently with this problem will depend on whether that responsibility is faced up to.

A proposal has also been announced regarding non-discriminatory forms of part-time working. We look forward to this with interest. The proposal for a flexible period giving entitlement to pension could also be very important. All of these are important measures that cannot be put into effect by everyone alike but need to be taken in different areas, different branches of industry and different countries in accordance with the changing nature of social and economic events.

Paragraph 39 also says something about the training of young people. This too we feel to be very important because unemployment among the young is its most serious form, certainly if it persists. Combating youth unemployment must be given priority. The Commission's plan recently approved by the Council which we welcome can, of course, offer no more than a temporary mitigation of the problem. It is an important plan in every way but it is vitally important that keen attention be paid to training and mobility. At the moment we feel that there is not enough mobility for young people geographically and with regard to choice of job. For this reason vocational training, further training and retraining need to be tackled together. We hope that in its recommendations, the Commission will take this into account.

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The distribution of available employment is not, on its own, enough to do away with unemployment. The concept of economic growth, which has become a rude word in some countries, has a close connection with unemployment. The Commission rightly considers that efforts to achieve a suitable growth rate are, for a number of reasons, very important. Growth is necessary to create employment and in some countries just to keep the social security system going and certainly in order to extend it. Growth is necessary to reduce imbalances, e.g. the regional imbalances, in the Community and to help the less-favoured Member States to meet their financial or other commitments.

Growth is needed because of the enormous financial burdens that will result from the accession of three new Member States to the Community. Finally growth is necessary to make some contribution towards the enormous needs of the developing countries. We hear of hunger, poverty, sickness and despair of the future in the world. How can we take ambitious responsibilities upon ourselves in this sphere if, at the same, we refuse to work for growth?

Mr President, our group attaches a great deal of value to Community development cooperation. Europe must be strong not only for itself but also in order to bring about more justice and equilibrium in the world. We hope that the Community will very quickly start to speak and act with one voice in the North-South Conference — or rather not just with one voice but also and above all with concrete Community programmes. I would like to stress the need for all countries in the Communities to reach the development aid norm of 0.7 % official aid set by the Assembly of the United Nations. At the moment there seems to be a certain decline. But is it even more important that we should open up our markets to products from the developing countries whilst expecting them, particularly those in the Lomé Convention, to have some understanding for the enormous problems that this creates for us. In the political programme of the European Democratic Party we call for a better balance between the interests of the industrialised and developing countries in the sense of a more righteous economic world order. The fact is that the consequences of this development strategy form the essence of the very serious socio-economic problems we are now struggling with in Europe.

Other members of our group will be speaking on Thursday on agricultural, energy and consumer policy and on environmental questions. But I would just like to make a few comments on what Mr Jenkins said about agricultural policy. Of course I agree with what he said about the imbalances that have arisen. Of course I agree with him that the problem of the MCA's must be solved. But one of the objectives of the Treaty with regard to agricultural policy is to guarantee a reasonable income for the agricultural population, and I do not have the impression that a policy of freezing prices in conjunction with the

co-responsibility levy, with the sudden cessation of MCA's at the same time will produce a reasonable income. Later in his speech Mr Jenkins said rightly, when referring to the need for another approach to structural problems — a less technical and humane approach, which seems very positive to me — that the object must be to raise the standard of living of the agricultural population to the average level reached in the Community. How does he explain this contradiction? I would ask him to give an answer to this question. What, in his view, is the solution?

And now to turn to the Institutions. This is the point on which I must be most critical. Mr Jenkins notes the increasingly important role of the European Council that is supposed to have given vital impetus to the development of the Community, particularly over the last twelve months. And he notes a lack of contact between the Parliament and the European Council. With the Commission, he wants to find ways of creating that contact. But are these ways really not available? The European Council only has to behave as is provided for in the Treaty, namely as a Council of Ministers. According to the Treaty, heads of government can also form a council of ministers but they have to take their decisions on the initiative of your Commission, Mr Jenkins, initiatives of your Commission that this Parliament has studied and on which it has defined its position. That, then, is the relationship between Parliament and the European Council, and that would be complying with the Treaty, but the European Council does not work like that. It does not work on the basis of proposals from the Commission. In my view that implies a grave interference with the independent, political function of the Commission. I believe that Mr Fellermaier spoke in the same spirit. Do not Mr Jenkins and his colleagues agree that the European Council encroaches on the Commission's right of initiative and upon the position of Parliament, which has to study your proposals before the Council takes its decision? And yet that is the contact implied by the Treaty.

Does not the Commission show itself to be a secretariat for the Council, a tendency that we have already observed more than once and which we utterly deplore ...

(Applause)

Seen in that light we do not understand the Commission's comment to the effect that it wants more room for manoeuvre in its capacity as executive. That it should need more room for manoeuvre in itself I can understand, but Mr Jenkins then asserts immediately thereafter that it needs more scope to perform its role as taker of initiative and guardian of the Treaties, a role that it performed when defining its position with regard to the 1979 budget, for which we are grateful, and which it is also performing in regard to the Member States refusing to apply the Sixth VAT Directive, for which we again thank it. These are tasks that

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the Commission is rightly performing as an independent political body that does not intend to toady to the Member States. There are enough examples of its positive action and therefore we invite it to deal in the same way, all along the line, with the European Council. We maintain that this is and will remain the main task of the Commission. It must guard and fight for internal cohesion in the Community. Cohesion in the EEC must be upheld. More than ever, we must insist that internal cohesion be preserved, because there are one or two things that are going to hit us from outside the Community. I have only to mention Iran — and there is plenty more. Mr Jenkins was right to spend so much time talking about European political cooperation and about China and all the other problems that other Members will also refer to. Many and serious problems will indeed come upon us from the outside world. This makes it all the more necessary for the Commission to feel and behave as the guardian of the Treaties and as the body whose task it is to uphold internal cooperation in our Community. If that main role of the Commission resumes its central place then this Parliament too, which is so important this year because it will be directly elected, will have more significance. And we know it is Parliament's role to keep a watch on the Commission and judge its action as the mainspring of integration.

Finally I would remind the Commission once more of the criticism levelled at it by Mr Scelba, when he was our spokesman, at the January part-session, about its lack of initiative with regard the special rights of the citizens of the Community. Surely it is important to do more to give them the impression that we are not only concerned about social and economic problems in the European Community but that the Community is fully concerned about each individual.

(Applause)

President. — I call Miss Flesch to speak on behalf of the Liberal and Democratic Group.

Miss Flesch. — *(F)* Mr President, ladies and gentlemen, the Liberal and Democratic Group is fully aware of the fact that the debate introduced by President Jenkins's address comes at a moment that is as critical as it is important for the construction of Europe and for the Commission itself — and perhaps the speech we have just heard has not fully met our hopes. But there is of course no reason to be discouraged. If today's discussion commits the Commission to a stronger determination to introduce changes and to become a driving force in the Community process it will certainly not have been in vain. The Commission is often charged with not controlling the economic situation and with not finding imaginative enough solutions or viable remedies to the various crises threatening our economy. Restructuring in the iron and steel industry, stagnation in the textile industry, crisis in the shipyards, and that unfortunately

is not all. But perhaps we ought also and above all to stop and ask whether our governments really give the Commission the means of enabling it to cope with the recession. Too often, it seems to us, governments forget that the salvation of the Community can be found only in Community solutions. Admittedly the Commission ought to stand out more strongly in defence of the role accorded it by the Treaties of Rome and Paris and not confine itself to proposing compromises euphemistically called realistic, e.g. having some chance of being adopted or agreed to by the Council. If it did so, it would be less identified with the national reactions of the Member States and would enhance its image with public opinion. For proof, I need go no further than the speech you yourself, Mr Jenkins, made in November 1977 at the University of Florence on relaunching the idea of monetary union at a time when everyone had forgotten the Werner plan. That speech led us into the European Monetary System. One of the great merits of this project is that it awakened the interest of Europeans at all levels and in all countries and reactivated some of the enthusiasm for Europe that has been so badly lacking in recent years. We therefore hope that there will be some positive developments in the question of compensatory amounts on which the rapid introduction of the European Monetary System depends. The fact is that what is at stake goes far beyond just the agricultural aspects and concerns the future of the Community as a whole at both the economic and institutional levels. I feel there is no need to refer again to the advantages of limiting fluctuations in the exchange rates, so as to keep better control of the money supply, reduce rates of inflation, check currency fluctuations, and encourage investment particularly in the less privileged regions. For its part, the Liberal and Democratic Group is unreservedly in favour of a real European currency in order to be rid of exchange control inside the Community so that reserves may be pooled under the responsibility of a board of governors.

Entering today's debate, we cannot ignore the situation round us and the possible fall-out from the energy crisis. Admittedly we have become used to living in a certain measure of crisis since 1973. We make tiny savings, reducing our energy consumption by a few barrels of oil, but we have dodged the real debate on alternative sources of energy and on the coordination of supply policies, with the result that our Community is increasingly vulnerable.

How can we forget that, for two essential sectors — defence and energy — we depend on other countries? For energy, in spite of the considerable efforts made by Commissioner Brunner, there is no real Community energy supply policy for crude or other oil products. This is extremely grave when it is remembered that oil accounts for 50 % of our energy consumption now, and that by 1990 it will still amount to about 40 %. This lack of an energy policy stems from a lack of care bordering on the irrespon-

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sible. We must face up to this problem if we do not want to jeopardize the chance of dawning economic recovery and the employment opportunities this means for some part of the 6 million workless with the economic, social and above all human problem they represent. Let us not therefore underestimate the gravity of the crisis. The closing of factories and firms, layoffs and unemployment are all strong stimuli to nationalist feelings as we have seen again recently in the iron and steel industry. Let us not close our eyes or give in to the deceptive arguments of protectionism. These are the basic subjects that should claim our attention in preference to institutional subjects which, although they are very important, can only be of secondary interest to public opinion in our present situation of crisis. In this institutional field we are delighted at the firm attitude taken by the Commission with regard to the 1979 budget; in doing so it performed its role of guardian of the Treaty to the full. The budget exists because Parliament has passed it in accordance with the Treaty. The Commission has taken a logical attitude in this connection because it has decided to ask those Member States which have not yet paid for the amounts that are necessary for the execution of the budget in the form in which it was passed. This having been said we are obviously impatient to see what the Commission's attitude will be, Mr President, at the outcome of its next meeting whose purpose is to adopt and transmit to the Council the draft supplementary budget for 1979.

With regard to inter-institutional relations, Mr President, I would like to stress that we look to the Commission to act towards all the institutions with all the consideration that is called for. Without wishing, now, to go into the subject of the recent survey on the voting intentions of European electors — which will be the subject of a special debate later in this part-session — I would like to stress that what concerns us in this matter is mainly the way in which it was conducted.

The problem I shall raise briefly at this time does not, perhaps, fall within the specific scope of this debate, but I would like to say a few words about it. It relates to this Parliament's participation in appointing the Commission. The point is that it would no longer seem admissible, after direct elections, for Parliament — which has a right to compel the resignation of the Commission by a censure motion — not to have the right to share in its appointment, which would remain the prerogative of the Member States. Whilst realizing that the role of the Commission as regards political cooperation is severely restricted by the Treaties and the attitude of some — at least — of the governments of the Member States, the Liberal and Democratic Group hopes that the Commission will continue, in this context, to remind the Member States of the importance of Community solidarity. There is no doubt, for example, that the firm support afforded by

the Community to the Western powers in the Namibia affair had a positive effect. The South African Government now seems to realize that the peaceful transfer of power in Namibia can take place only if it accepts the principle of elections under United Nations supervision as approved by the Nine. Conversely, the failure of the nine to reach agreement on a common policy in the Middle East showed once again the weakness of Member States acting in isolation. The impact of the Iranian crisis on the economies of the Community and its effect on our energy supplies and therefore on production costs and employment show once again that a watertight distinction between economic and external policies is doomed to failure.

Mr President, before concluding I would like to refer to one of the key sectors of Community policy namely agriculture and congratulate the Commission on the responsible attitude it has taken with regard to agricultural prices. Though strict, this policy should help to check escalation and above all to mop up surpluses and — the real issue — to restore equilibrium in our agricultural policies. 1979 is an important year in the sphere of international relations. I am of course referring to the outcome of the GATT negotiations and the UNCTAD meeting to be held in Manila. For our part, we confirm our confidence in the principle of international free trade which is the only way to ensure economic and social development for the Community and its populations.

I would also like to say a word about development policy, another sector in which the Community may boast some success. We welcome the attitude of the Commission and of Commissioner Cheysson, and the attempts to try to find mechanisms for stabilizing income from mineral resources such as phosphate, bauxite, uranium and copper. This policy augurs well in the context of the negotiations for the renewal of the Lomé Convention.

To conclude, Mr President, let us note with President Jenkins the different events that will make 1979 an especially important year from the European standpoint: establishment of the European Monetary System, direct elections of Members of Parliament by universal suffrage, signing of the treaty with Greece and completion of the first stage of the enlargement process, and lastly the conclusion of the important international trade negotiations in which our Community is involved. For its part, the Liberal and Democratic Group is ready to lend its support in Parliament to the implementation of this programme. The European election campaign that is about to begin will also, incidentally, enable us to do our share in mobilizing public opinion as it should be on the subject of the major Community problems and questions.

(Applause)

President. — I call Mr Rippon to speak on behalf of the European Conservative group.

Mr Rippon. — Mr President, I think the House has listened with great respect and attention to the General Report of the President of the Commission for 1978 and to what he has had to say about the programme for 1979. The general objectives may be accepted by us all but — I hasten to add, through no fault of his or his colleagues — I am bound to say that as a progress report it will hardly make the bells ring all across Europe. I do not want to repeat what I said at our last part-session on the occasion of the statement by the President-in-Office, but I would reiterate the doubts I expressed then about the value of over-frequent economic summits to which the President attaches some importance. I believe that the effective coordination of economic and monetary policies can only come about by a habit of cooperation between the civil servants and the central bankers most concerned, leading to a careful preparation of proposals which Ministers can then consider and decide upon. As things are, heads of state and government are continually going off half-cock, raising expectations unduly and succeeding only in creating a muddle of indecision and confusion.

It is indeed regrettable that the European Monetary System could not be launched at the beginning of the year, as the European Council had supposedly decided unanimously in Bremen. The trouble is, as I indicated at our part-session last month, that the agreement was inadequately prepared, too narrowly based on a Franco-German accord that has already broken down as far as France is concerned, and lacking in adequate resources to enable it to serve wider European interests and needs.

I certainly agree with what the President of the Commission has said — that we need to guard against the view that procedural or institutional innovations can of themselves produce instant solutions to problems in the Community. That, I believe, applies with particular force to what he calls the growing role of the Council. By all means let them meet from time to time to give a new sense of purpose and direction to the Community and to take real decisions; but not just casually and frequently with no clear idea of what they have in mind. And below the level of the Council, the aim must be not to build up Community institutions for their own sake, or to duplicate in Brussels what is or can be adequately done by national governments. The purpose, as I see it, is to formulate and implement policies affecting the Community as a whole that require common action. I therefore welcome the President's assurance that the Commission has determined to avoid proposals for harmonization that are unnecessary and unimportant. Those words, I may say to him, are music to the ears of the Conservative Group, who have consistently opposed such proposals and will continue to do so. We believe that Article 100 of the Treaty should be strictly interpreted. Thus, we would say for example that the harmonization of tax which is proposed in the

annexed memorandum to the statement should be severely limited.

I am not one of those who criticize the number of bureaucrats in Brussels. They are in fact fewer than are to be found on the payroll of many large local authorities, certainly in the United Kingdom and probably elsewhere. It is not their quantity but their quality that ought to be questioned. I believe there is a case for a few more high-powered — and highly paid — officials whose first task might be to tear up about three-quarters of the published draft directives and regulations. I am sure we are all agreed that far too many documents float around which, even if, as frequently happens, they are eventually pigeonholed, do, as the President has observed, great damage to the Community's image and certainly do not fall into any definition of what is really worthwhile. It is, indeed, much better to concentrate on a few priority areas where there really is a common interest in a common policy. These must obviously include, for example, the measures to implement energy policy. There cannot be any doubt of the importance of securing adequate energy supplies to sustain a social and economic life in the Community in the difficult years ahead. No less important, I believe, is the need to maintain a high level of European technological capacity, particularly in the fields of aerospace and defence procurement, about which I would have hoped the President might have had more to say. Because here are common interests that can only be secured by common policies and common action.

To this end I welcome what the President had to say about the concept of a single market. We give full backing to the Commission in their work on the reduction of State aids. But once again we would wish to raise doubts about the Commission's pursuit of tripartite arrangements for industry. These arbitrarily divide industry into workers and employers; above all, they cut out all those people who are not included in the big battalions on either side, such as the small firms, the middle managers and the self-employed.

Also referring to the memorandum, we welcome the greater emphasis that is now being paid to the opening up of financial markets such as insurance and banking and stock exchange transactions. The Community still has a very long way to go in opening up invisible trade, and I would like, Mr President, to ask what has happened to the proposal mentioned in last year's programme to enable building societies to borrow and lend across the frontiers. I would add that I also regret the omission in the President's address of proposals for the removal of exchange controls. I might say we have not yet had the results of the Commission's review of all internal exchange controls, which we were promised by the end of last year, and I might add further that it would be sad indeed if the creation of a European Monetary System led to more exchange controls — a complete reversal of ends and means.

Rippon

On the other hand, I think more encouragement is to be found in what the President said about agricultural policy. The House can be glad that it has had some influence in establishing a suitable climate for the Commission to produce a prudent price policy. And I think we are wholly in support of measures to deal with surpluses and monetary distortions, which have indeed put the budget under strain, as the President said this morning, though I think he originally had in mind 'putting the budget under *intolerable* strain': I think that would be the phrase to employ. I also warmly welcome the concept of rural development as a high priority. I do not need to remind you, Mr President, of the policy formulated by my colleagues, Mr Scott-Hopkins and Mr Corrie, in their document 'Towards a Community Rural Policy'; this is something we have advocated for a long time.

Obviously one speech cannot cover everything, but I wish the President of the Commission had had more to say about the need to create a greater consciousness among all our citizens of belonging to Europe. Today I believe that there is an urgent need to create a sense of European identity which is complementary to, and not in conflict with, our separate national identities.

(Applause)

Now if I may revert to my original theme: the President of the Commission has spoken of the growing role of the Council, and at our last part-session the President-in-Office described the evolution of the Council as the supreme decision-making authority. How sad it is therefore that the Council are capable of making so few decisions, even on the least controversial matters, and that even when they make a decision they seem totally incapable of getting it implemented! Last April at Copenhagen they agreed on the essentials for the establishment of the European Foundation in Paris. Nothing has happened. Many months before that, they agreed on the creation of a European passport, yet nothing has happened about that: apparently they cannot agree about the colour. No wonder we have no clear strategy for economic, monetary, agricultural, energy or technological advance. So far from looking like the captains of great ships, the leaders of Europe today resemble far more befuddled sailors re-arranging the deckchairs on the Titanic.

(Laughter)

When, in the name of Western civilization, which is in deadly peril, will they recognize and face the dangers that now confront us in Europe today?

I would only say in conclusion, by way of compliment to the President and as an expression of gratitude for what he has done and is trying to do, that there remains at least some hope as long as the Council will

pay some attention to the wise things he has said today.

(Applause)

President. — I call Mr Spinelli to speak on behalf of the Communist and Allies Group.

Mr Spinelli. — *(I)* Mr President, on behalf of the majority of the Communist and Allies Group, I would be tempted to deal one by one with all the various important problems raised by President Jenkins, this has already been done to a large extent and I shall not, therefore, go over the same ground again. One point that I would very much like to have discussed concerns the prospect of economic recovery, on which all partial measures must be based, but we dealt with this very fully last year and I would simply have had to repeat exactly what I said on that occasion; because so far nothing has been done in that direction by the Commission or by the individual States.

I shall therefore concentrate on a point we feel to be crucial and on which I have observed a strange reticence — or complete silence — on the part of Mr Jenkins. I shall dwell on two or three questions, earnestly begging Mr Jenkins to give us a full answer and not just a summary or elusive reply.

The way in which the European Monetary System has started off or rather, the way in which it has not started off — fully confirms all the criticisms raised on several sides to the effect that the subject should have been studied in greater depth and the EMS given structures much more of the Community type. This point was made in this House by Mr Amendola, not with us today, who pointed out that it would be wrong to ignore all the economic policy aspects associated with monetary policy and without which it is difficult to set in motion a process of monetary unification — and, precisely at the moment at which the EMS was supposed to start operating, major problems arose.

You have referred, Mr Jenkins, to the problem of the compensatory amounts which is, indeed, a major problem that is causing serious distortions on the market and needs to be tackled. We regret that no heed has been paid to this Parliament which has already asked the Council and the Commission in the budget debates for two successive years to tackle this problem. And the government that has raised the question today helped, by the stand it took, to have this point removed from the budget. Perhaps if it had not taken the position it has today it might be somewhat more strongly placed, because it would have had the support of Community legality on its side.

But the problem of the compensatory amounts — which is being tackled in order to make it possible to put the monetary system into effect — is only one of

Spinelli

the problems on which the system could come to grief because there is another. Just as the first problem caused a crisis in the Council, the second is also causing a major crisis in the Council, and also in relations between Council, Parliament and Commission. I am talking about the policies of solidarity and the transfer of resources to which not only the European Council but also that other political organ of the Community, this Parliament, have given their attention. The latter, not through demagoguery but because it realized that the decision to set up a European Monetary System necessarily implied strengthened transfer policies towards the regions and countries in the greatest difficulty, increased the Regional Fund with a measure of agreement rarely attained in this House. Well now, since that decision, since the approval of that budget, three governments — after the first month when a transitional situation was still permitted — have continued to pay the provisional twelfths. We would like to know what the Commission intends to do about this problem which has tremendous importance for the operation of the Commission in 1979. I know very well that the procedure for infringements has its own pace and that the case is not taken immediately to court but contact is first made with the offender, but I also know very well that much depends on the zeal of the Commission, which may act promptly or take its time. Now, because it is crucial — for the Commission and for the individual States — to know whether the Regional Fund is available for action or whether for the time being the necessary figure is not reached because the monthly contributions that should be paid have not come in, I would like to know whether the Commission intends to take swift action to ensure that the budget approved by the Parliament is complied with, because the success of this policy, among other things, depends on it.

There is a second problem connected with this one. You referred, Mr President, to the next supplementary budget whose purpose is to add the 250 million u.a. for the allowances proposed by the European Council on the occasion of the launching of the EMS. Well now, since rumours are circulating on all sides — and not only rumours — we would like to know the intentions of the Commission in this connection. I must confess that I expected some reference to this in the President's speech. What are the Commission's intentions? Parliament has underlined the importance it attached to its decision on the Regional Fund, foregoing all the other things, although it considered them to be necessary, in order that this item be upheld.

Does the Commission intend — as I personally feel to be necessary — to add a supplementary balance of

250 million u.a. to the budget approved by Parliament in order to carry out the task assumed by the Member States of giving special assistance to two countries which are in difficulties, or does it propose to withdraw this amount from the Regional Fund, change its name and regard it as a EMS allowance? This would imply changing the allocation approved by Parliament and would withdraw from the British, French and others what is their due, to give it to only two countries in view of the fact that the new chapter concerns only two countries.

Mr President, I feel that today you ought to give us an answer that will dispel our concern, but I cannot fail to draw your attention to the fact that an unsatisfactory attitude on the part of the Commission towards the problem of the regular inflow of income and that of the next supplementary budget for EMS allowances could cause very serious consequences firstly in this Parliament and then in the Council and in the mood of the various Member States of the Community which would not, perhaps, be the best way to tackle the Community's problems in 1979 and to prepare ourselves for the elections to the European Parliament.

On these two questions, Mr Jenkins, we would like to have a clear and precise reply — *klipp und klar* as the Germans say.

(Applause)

President. — I call Mr Nyborg to speak on behalf of the Group of European Progressive Democrats.

Mr Nyborg. — (DK) Mr President, my comments will have to be in telegraphese, so to speak, because of the little speaking time available.

I first wish to thank the President of the Commission, Mr Jenkins, for his address. It is impossible to deal with all the subjects he has referred to, but let me comment on a few of them.

We welcome the new European Monetary System and Mr Jenkins was himself one of those who got people thinking along these lines again. It is essential for the Community's continued growth that we achieve economic stability, which will make it worthwhile for investors to set the wheels in motion again in many areas where they have come to a halt, and it is also therefore of vital importance from the point of view of reducing unemployment. We are confronted with grave economic problems and many of these originate from outside the Community, we know, but that does not mean that we can simply sit down and say: 'Oh well, we shall just have to wait till things improve outside'. There is a great deal which we can do ourselves and I believe that the European Monetary System is one of the means for this, and, as I have said, we welcome it.

Nyborg

Something else is lacking and has been lacking for a very long time and we could do something about it if we would only wake up. We could give the European citizen a European identity and not just an identity as a member of one particular nation within the Community. We could give the citizen in Europe a European driving licence, a European passport, etc. etc., thereby fostering his sense of belonging to and having an identity as a member of a community.

Mr Jenkins also spoke of the functioning of the internal market and the customs union. We all know, of course, that we got rid of the last customs barriers on 1 July 1977, but unfortunately we are forced to recognize that the internal market is not functioning as it ought to be. Instead of the customs restrictions we had before we now have a whole series of technical barriers to trade, of which we see examples every single day, and it is therefore important that we should go on doing what we can to remove these technical barriers to trade with the help of our many different harmonization measures. We have to admit, however, that it is taking far too long. This is not something we can blame the Commission for, but we can say that Parliament, at least as far as I am aware, will be glad to assist the Commission to work out more flexible procedures, so that we can get through our work more quickly and reduce the amount of time required to deal with it — indeed a great deal is already being done to try to improve matters here. Our ultimate aim must be to create a common market, a market here in Europe, which will make it just as easy to send goods from London to Rome as it is today to send goods from Hanover to Hamburg.

In the field of external trade we also have restrictions in the form of various systems of export aids in the different Member States which give rise to distortions of competition which we would gladly see eliminated. We should be glad to think that these export aids could be harmonized, reduced and totally abolished within a few years.

The problem of agricultural services and monetary compensatory amounts must also be seen in the light of the introduction of the European Monetary System, and it seems quite obvious that the monetary compensatory amounts must be abolished as quickly as possible. The aim of our agricultural policy must be efficient production which will benefit all the Community's citizens without accumulating the enormous surplus stocks which we have been getting at various times. I should like to support what Mr Jenkins has said in his speech about fisheries, namely that a system for managing and preserving fishery resources must be drawn up at the Community level and that such a policy can be formulated only at that level. I must say therefore that it was with pleasure that we learned today that the Commission will continue to press for an agreement on fisheries, since only one

Member State so far has shown itself unwilling to attempt to get a common policy on fishing in Community waters, and Mr Jenkins knows only too well which State that is.

As for environmental pollution, this is something which knows no boundaries and therefore it is extremely important that we deal with it at Community level and that we do what we can to give our citizens as clean an environment to live in as can possibly be achieved.

Finally, let me now, in this year of direct elections, take this opportunity to remind the Commission that it must carry out its role within the European Communities as rationally as possible and with the minimum of bureaucracy. The fact is that the European Communities' working procedures strike the individual citizen as extremely unwieldy and remote from everyday life, while at the same time decisions are being made every day which directly affect him. These problems are scarcely likely to diminish as we face the prospect of three new Member States joining the Community at a rate not yet known. But we know that enlargement will create enormous problems and we know that it can only give further nourishment to the bureaucratic monster, we know it is bound to grow to enormous proportions, unless the nasty creature has been looked at squarely in the eye in advance and everything possible, has been done to control it.

(Applause)

President. — I call Mrs Ewing on a procedural motion.

Mrs Ewing. — Mr President, I believed with some justification that I would be allowed to speak today, but only about 15 minutes ago I received an intimation that Mr Fellermaier objects and that I may not be allowed to speak. Now the procedure in the past under which I have been called as a non-attached Member on occasions has been that I was allowed to speak immediately following the various groups. I would suggest that I have been treated unfairly today, that a Parliament's fairness as a forum could be judged by the test of how it treats a non-attached Member and I would ask the forum here today to accord me the right to speak in accordance with past procedures. Or are Mr Fellermaier and others so afraid of what I have to say in my five minutes that I must be given this scant notice? I know this has been done with reference to today's agenda which I didn't have before me. But the fact that the agenda refers to Members of the political groups should not exclude my speaking, so even had I seen it it is doubtful whether I would have anticipated this treatment. It was certainly only intimated to me, as I said, fifteen minutes ago. I have been sitting here prepared to speak as you probably all have noticed. I feel I have been treated unfairly,

Ewing

and I would appeal to Parliament to overrule whatever decision has been made by the enlarged Bureau.

President. — Mrs Ewing, you will be able to speak on Thursday, not today; no one else will be called other than the spokesmen of the political groups.

The chair has reached this decision on the basis of what was decided on the agenda and recorded in the minutes of yesterday's sitting.

I call Mrs Ewing.

Mrs Ewing. — Thank you for dealing with me so courteously, but I would like to make two points. The first is that the non-attached Members have, to some extent, been very fairly treated — on many occasions almost as a group. Hence the difficulty I found myself in when I genuinely believed that I was to be called. The second point is that I did appeal in my point of order for my rights as a Member to have it put to the floor whether or not I could be given the right to speak, as I have been in the past and as I thought, on the basis of past procedures, that I was going to be today.

President. — Mrs Ewing, unfortunately you did not raise any objection to the agenda at the opening of the sitting.

I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, in replying to this debate this morning I would propose to speak briefly, because this debate continues on Thursday and I think that those who participate in the debate on Thursday are also entitled to a reply from the President and because I note from the timetable arranged for the debate that the amount of time allocated to the Commission is limited, as is that allocated to the political groups, and I would certainly wish to respect that. Therefore, if I am to retain the ability to reply on Thursday which I think is important, I must be very brief today.

On the whole, I welcome and thank the spokesmen of the political groups for the way in which they have received the programme speech. They rightly say that it is not at the moment a time for rejoicing and for saying that everything is easy in Europe, but they recognize that within the framework of the difficulties we confront we are trying to move forward in a series of effective ways.

I think perhaps the first speaker, Mr Fellermaier, struck the most critical note and I respond to several of the things which he said. First, he mentioned the absence of social policy as a chapter in my speech. It is, of course, covered in the complementary memorandum, and may I also remind him that my speech was interspersed with frequent references to the major dominating problem of unemployment: This is certainly central to the Commission's thought, we

believe that social policy has a significant role to play, and we believe it could play a still more effective role, if we had more powers in this field, but at the same time we do not believe that unemployment can be cured purely by social policy. We think that social policy can make an important contribution, but in order to deal with the major issue of unemployment, which affects every country in the Community at the present time, then we must, as I have stated on previous occasions, create the framework for a new impulse on a historic scale. We have certainly attached great importance to the European Monetary System as a major step, towards economic and monetary union, as a move in this direction which can be expected to give us some sort of new stimulus along the lines which we experienced in the period of post-war reconstruction, when what were previously middle-class standards of living spread to the whole, or to very large parts of the Community. We very strongly believe we shall not cure unemployment without some historic stimulus of this sort: we are very anxiously looking for that, and this dominates all our thinking.

We believe that the Third World can also play an important part here in unlocking our capacity to create new demand, and that is one reason why we attach great importance both to North-South relations generally and in particular to the renewal of the Lomé Convention. I would say to Mr Fellermaier, on one point which he made, that I hope and believe that we can get a general reference to human rights in the course of that agreement. I think that would be desirable. But let us be careful in our approach to these matters not to delude ourselves that we can have a position in which we are going to cut off aid, or contemplate cutting off aid, to every country which does not exactly fulfil the standards which would be thought necessary for membership of the European Community. Because, be in no doubt, if you try to go too far in that direction you will produce a great reaction, you will destroy the contractual element of Lomé which is regarded as a very important aspect of it, and you will end up not with this broad instrument applied without political discrimination over 55 countries, but with something much narrower and you will be in the almost impossible position of being a constant political judge between one régime and another. A reference to human rights is certainly desirable and necessary, and we are very anxious to get this, but let us not think that we wish to take the contractual character out of Lomé and to say that only régimes which are political parliamentary pluralist democracies in the sense that we would rightly regard as necessary for membership of our Community should participate in the scheme, because if so we shall end up with very few participants indeed and the Lomé agreements will look very different.

Jenkins

There were several interesting institutional questions raised by Mr Notenboom, Mr Fellermaier and by Miss Flesch — Mr Rippon also raised matters of this sort — relating to the European Council, its relationship to the role of the Commission and indeed to the balance of institutions in Europe as a whole. May I say in passing that I very much agreed with Mr Notenboom's remarks about the EMS and its relationship to economic and monetary union, and I very much appreciated the way in which he put that. He did, however, suggest that he saw a danger of the Commission's becoming a sort of secretariat of the European Council, the European Council itself operating rather outside the Treaties, and the institutions as a result losing their balance and the Commission losing its political right of initiative. I think there is, with the European Council, a certain problem of balance between the institutions; I do not hesitate to say that. But do not confuse this with the Commission's assuming a role of secretariat. That role would be totally opposed to how the Commission conceives its purpose at the present time. The Commission is political not in a party-political sense but in the sense that it has the ability to speak its own mind, is determined to retain that ability and, indeed, could not possibly perform its role in relation to this Parliament unless it was able to speak on its own authority and to put forward controversial opinions without regard to whether governments or other people agreed with them. The role of the Commission in the European Council is not remotely that of a secretariat. A secretariat keeps quiet and tries to write down the decisions. We do not keep quiet in the European Council: we play a very active role there, and it is possible for certain initiatives, for certain initiating roles, to be discharged by the Commission within the European Council even though the proceedings are more informal than is the case in the Council of Ministers. I would certainly take the view — and I was grateful to Miss Flesch for indicating that this was her point of view — that the initiating role of the Commission in concentrating the attention of the Council on the need for a European Monetary System, both at Copenhagen and Bremen, was considerable, and I believe it is very important for the effective credibility of the European Council that it now makes sure as was rightly said in Brussels, that its unanimous decision, that the European Monetary System should come into operation at the beginning of this year, should now be implemented at the earliest possible date, and that the difficult but essentially soluble problem in relation to new MCAs should be solved with the political will which will make it possible to achieve this.

But in relation to the position of the European Council, I did draw attention to one danger which is, it seems to me, its remoteness from this Parliament. The Commission is clearly not remote from the Parliament: it lives in the Parliament. Even the Foreign Ministers, particularly during the periods of presid-

ency, have close contact with the Parliament when the President of the Council of Ministers is here. But there is less contact between the European Council and Parliament, and I think that in the future that can be a source of misunderstanding and of a lack of appropriate balance between the institutions. We have to recognize the fact, it has indeed some power and influence as distinct not from the Commission, in my view but from the Council of Ministers, and that if we were to say to the European Council: No, you can't make that decision, because the European Council is not provided for in the Treaties, then we should probably be holding up the progress of Europe. What is more sensible is to accept the fact that the European Council is here to stay, that it can be an influence for good and that the Commission has and intends to retain a decisive and independent political role within it, but also to point out the danger that Parliament and the European Council may become somewhat separated and to try to correct that position.

Mr Spinelli asked me certain questions about the budgetary position. As he knows, the Commission takes the view that the three States which did not pay the amount requested for February are in dereliction of their duty, and has written to them accordingly. The Commission is confronted with a legal problem, though it is not anxious that the present difficulty should be resolved purely on a juridical basis, and we believe indeed that we are not alone in hoping that a political solution can be found. Nevertheless, we cannot ignore the legal issues at stake, and the Commission has therefore decided to take the action which it often adopts when it believes it may be faced with an infraction, and that was to write to the three countries which did not pay the right amount, pointing out the problem and saying that, if correct payment is not made quickly, the Commission will have to take into consideration all the legal consequences of the resulting situation. Meanwhile, the Commission will do all it can to help find a solution to the general budgetary question, and it is in this context that we shall make a decision as to what we do about bringing forward a supplementary budget. I think such a budget will be necessary in any event in order to provide for aid to the less prosperous countries in connection with the EMS, and what we shall be anxious to do here is to take soundings so as to bring forward a supplementary budget at what appears to us to be the right moment to promote a solution of this important problem.

Mr President, I think that those are probably the only points which I have allowed myself time to reply to. May I assure the House that on Thursday I will reply to speeches coming from other than leaders of the political groups and also take up any remaining points which I may think it necessary to reply to from the debate this morning.

(Applause)

President. — We shall now adjourn the debate on the general report, which will be resumed on Thursday morning.

6. *Welcome*

President. — I should like to offer a hearty welcome to the Danish Social Democratic candidates for direct elections who are among our guests today. They are sitting in the official gallery, and I have pleasure in welcoming them in their own language, which of course enjoys equal status as a working language. I hope that they will benefit from their visit to our sitting today.

7. *Calabria and southern Italy*

President. — The next item is the joint debate on :

- Oral question (Doc. 532/78), by Mr Vitale, Mr Spinelli, Mr Mascagni, Mr Sandri and Mr Pistillo, to the Commission :

Subject : Calabria.

- Considering that at the time, the Commission delivered an opinion against the building of an iron and steel plant in Calabria because of the crisis in this sector, as a result of which the Italian Government abandoned its pledges to tackle employment needs in that region which has the lowest *per capita* income of the entire Community and the highest unemployment rate ;
- Considering that this unfavourable opinion, which was not accompanied by any alternative proposals, has been partly instrumental in increasing the imbalance between Calabria and the other regions of the Community, and that this has created dramatic problems leading to mass demonstrations against both the Italian Government and the Community institutions, which are held jointly responsible for the extremely serious decline of that region which has been hard hit both by the Community's industrial and its agricultural policy ;

Does the Commission not think that after showing such severity towards the poorest region of the Community, it should now take with the Italian Government and regional authorities appropriate steps to respond — this time in a positive way — to the Calabrian people's job and income needs, be adopting a new approach to regional policy, using the Regional Fund to attract the industries which are economically best suited to that region, while at the same time making appropriate changes to the common agricultural policy so that effective structural measures can be taken, based on a concept of development as a unified process, in order to set up complete agro-industrial cycles as a basis for comprehensive economic development in the Calabrian region, and enable Calabria to achieve its full economic potential ?

- Oral question (Doc. 601/78), by Mr Klepsch and Mr Pucci, to the Commission :

Subject : Southern Italy

What steps have been taken, what studies are in progress and what programmes have been designed to solve the

serious problems of unemployment, especially among the young in the southernmost regions of Italy, and particularly in Calabria, where the realization of a number of Italian Government projects has been held up as a result of the Commission's disapproval ?

I call Mr Vitale.

Mr Vitale. — (*I*) Mr President, Commissioner, ladies and gentlemen, I shall need no more than a few minutes to explain the reasons for this question.

The project for a steel plant in Calabria that was never built need not be recalled here, for it is a question that has already been debated on other occasions in the various Community institutions.

The reason why our group has tabled this question is that the way in which the matter was dealt with — and this, I would stress, is not to deny the heavy burden or responsibility that falls on the Italian Government — shows the Community in a very poor light ; this applies to all of the institutions and first and foremost to the Commission which, there can be no doubt, is partly to blame for the failed attempt to solve the problems of a region notorious for its poor standard of living, its *per capita* income being the lowest in the Community.

The Commission actually began by approving the project for a steel plant but later on, when the Gioia Tauro plain — rich in olives and citrus fruit — had become a desert made by bulldozers and excavators, it went back on its decision and called on the Italian Government to abandon its own commitment. It is no wonder therefore that public opinion passes the same unfavourable judgment on both the Italian Government and the Community itself. More than 30 000 Calabrians recently held a demonstration in Rome in which anti-government slogans alternated with what I feel were justified slogans against the Community which they blamed for not keeping its promises.

This is why, Commissioner, there remain today one or two basic questions which must be answered by both the Government and the Community. The Gioia Tauro plain resembles a lunar landscape ; shall we leave it as it is as a witness to what we and others consider as national and Community economic policy errors, or does the Commission intend to play an active part in suggesting alternative projects as it did when Commissioner Davignon wrote his letter advocating that a fifth steel plant should not be built ? What scope for initiative is left to the Commission in this sense ? Given that thousands of millions have been spent on infrastructure for a project that was not implemented, what suggestions can be made to prevent the money spent from going down the drain and to use the infrastructure already begun for other purposes ?

Vitale

It is clear to me that to answer those questions, efforts must be made to find a different approach to the problems of development discussed yesterday when we debated the Delmotte report; those problems cast doubts not only on the regional policy or, if you prefer, the regional outlook, but also on other policies, mainly the agricultural and social policies I am thinking, for instance, of the problems of vocational training which are extremely important in those regions.

Basically, Calabria knows the common agricultural policy only from the assistance it receives in the form of the olive oil subsidy, a measure which does not have as its aim the improvement of agriculture, which is its only real asset.

The alternative — and this, moreover, is a suggestion which comes from trade union and business circles alike — is to choose options based on the agricultural development programme which allow industrial conversion measures to be taken to improve the basic forms of production and a course of action to be prepared initially on the basis of the special Cassa del Mezzogiorno project — to activate the timber industry, creating a complete cycle in which agricultural and industrial problems, as well as those of the craft industries etc. are considered in a single context.

I would repeat that we are not asking the Commission to draw up operational programmes that would supplant national and regional authority, but we do wish to know with what methods, and guidelines the Commission intends to seek answers to what are not simply local problems but, as we have seen in the case of the Gioia Tauro, have become problems of common interest.

In the case of the Gioia Tauro, we have been applying an industrial policy in fits and starts without regard for the real objective of industrialization; maintaining the value of agricultural production we have been following an agricultural policy which has thwarted, or failed to pursue, the objective of industrializing agriculture; we have been following an infrastructure policy which takes no account of either agricultural or industrial prospects, as the case of the bridge over the Straits of Messina makes immediately clear!

This state of affairs causes public bewilderment. Although a few new rules are beginning to emerge in the sphere of coordination of policies and the use of the various Funds — including the principle of concentration, which is essential to the proper conduct of regional policy — I still have the impression from what the Commissioner said yesterday that the action required can be taken only over a long period incompatible with the urgency of the problems with which Calabria is faced. But we do have the means to try out this new approach immediately and to apply new methods of assistance by using the 'non-quota' section.

I call on the Commissioner to make a political gesture by sponsoring a meeting with representatives of the Calabrian Regional Council; I ask the Commissioner responsible for agriculture and the Commissioner responsible for social affairs to conduct an extensive inquiry into the problems of Calabria, in order to respond convincingly to the expectations of the Calabrian people, so far disappointed through the coordinated and joint use of the resources of the EAGGF, the Regional Fund and the Social Fund.

President. — I call Mr Pucci.

Mr Pucci. — (*I*) Mr President, ladies and gentlemen, the Chamber is almost empty but still echoes with yesterday's and this morning's speeches in which we heard not only criticism but also proposals and intentions which, if they were carried out, would already go some way towards solving the serious problems to which Mr Vitale has just referred and on some aspects of which I should now like to comment.

Will the proposals be followed by action? Past experience unfortunately shows — I do not intend to accuse anyone — that the Community system as a whole has not proved that it operates satisfactorily.

I wish to make one or two comments, without referring to the institutional problems involved, on some of the main criticisms made by the Italian Mezzogiorno, which concern the general suitability and the overall aspects of Community policy.

At the time of the so-called economic miracle, which is now unfortunately far behind us, we in Italy witnessed something which gave us food for thought: the mass exodus of the farming population from the country to the cities, from the south of Italy to the north. This frantic and disorderly migration, caused by a wrong approach to economic development, made all our economic problems much worse.

We are now about to introduce the EMS. People talk of it as of a new surge in the development of the European economy, just as significant as the Bretton Woods agreement was in its time in launching the Western economy. If, as we hope, the European Monetary System provides a genuine fresh impetus to the economic development of Europe, we shall witness a new phenomenon of the same kind, in other words the poor regions, the peripheral areas will be drained of their energies and the flow of emigration will increase. Emigration — and Mr Delmotte had something to say on the subject in his report — raises a whole range of extremely serious human and economic problems.

To counter this, we propose that new projects should be created in those areas of the Community where manpower is already available. There can be no doubt that business investment outside the Community by various European countries has been prompted by considerations of advantage and economic necessity. But we have learnt — and recent events in Iran have

Pucci

again shown — that this can be a risky business. We therefore call on the Commission to propose rules, and even stringent rules, committing our governments to carry out new investment in areas where manpower is widely available. In his speech this morning, Mr Jenkins referred to the need not only to make agriculture stronger but also to concentrate a whole series of initiatives on depressed regions and areas.

Before I close, Mr President, allow me to say a few words on the problem of the steel plant in the Gioia Tauro. Mr Vitale put forward a number of proposals and asked that certain things should be done.

I agree with everything he said, especially with his suggestion for a meeting between the Commissioner and the representatives of Calabria. The Italian Government has borne urgent expenditure to equip the area designated for the Gioia Tauro iron and steel plant, and the expenditure is at present going on.

In my view, it will be the Commission's duty to ensure the continued employment of the workers involved in infrastructure and to fit the answer to the problem of Gioia Tauro into the context of the measures being taken to reconvert the steel industry, pushing forward at once with measures which, as alternatives, will guarantee the planned employment.

I trust that subsequent developments and, above all, the fresh impetus provided by the directly elected European Parliament will enable a final solution to be found to those problems or, at least, that they will be tackled in a more practical and forceful manner.

(Applause)

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — *(I)* Mr President, it has been quite properly made clear, I feel, that there is a connection between the question we are now discussing and yesterday's wide-ranging debate, at the close of which I spoke in reply to your questions, on the general context of the regional policy, and I shall consider this specific question in that context.

The Commission is well aware of the difficulties peculiar to Calabria which are caused by its weak economic structure and have certainly been made worse by the economic crisis of the past few years, particularly in the steel industry; you are therefore perfectly right to stress that those problems are particularly urgent and I share the views expressed by those who have put questions on the subject.

Community measures to assist the economically weak regions include aid by the Commission through the European Regional Development Fund in support of the efforts made by the national and regional authorities to promote economic development. From 1975 to 1978 inclusive, the amount of aid provided was in

round figures 40 million units of account — i.e. 38 700 million lira — 33·8 million u.a. of which went to infrastructure investment projects and 2·1 million u.a. to industrial development; of the 221 investment projects assisted by the Community, 199 were for infrastructure facilities in mountain areas. During the four years that the Regional Fund has been in operation, Calabria has received 6·8 % of all aid granted to the Mezzogiorno, in other words the aid to Italy from the Regional Fund that is earmarked for the Mezzogiorno.

The investments which received Community backing were essentially for the improvement of the road network, especially in the most disadvantaged mountain areas, soil irrigation and the construction of an international airport at Lamezia Terme. The Commission also provided funds to defray studies carried out on the initiative of the Italian Government that have a direct bearing on the problems of Calabria: studies on the consequences of enlargement, transport, and the fisheries sector, with reference to the Mezzogiorno.

Aid for Calabria has also come from the Guidance Section of the EAGGF. Allocations for individual projects in Calabria during the period 1964-1977 amounted to 15·9 million units of account, roughly 7 % of all EAGGF aid to the Mezzogiorno. Beginning in 1977 a special effort has been made to help depressed Mediterranean agricultural areas and Calabria has certainly been one of the main beneficiaries. Briefly, the assisted projects were for improvements in the processing and marketing of agricultural produce, the speedier implementation of an irrigation system, improvements in rural infrastructure, reafforestation in dry regions, and the introduction of an agricultural advisory service under the heading of technical assistance. The Community will provide 50 % of the finance required for these projects — 40 % for the improvement of infrastructures — a rate which is substantially higher than the normal 25 % provided for measures under the EAGGF guidance section.

The European Social Fund also helps to finance training projects in Calabria. Direct payments from the Fund to Calabria totalled 5 726 000 000 in 1975, 860 000 000 in 1977 and 6 158 000 000 in 1978. I would also mention two programmes approved in 1978 to deal with youth unemployment, a problem which merits more particular attention. The first programme was submitted by the Ministry of Labour and involves 28 500 persons in the Mezzogiorno as a whole, including 3 850 in Calabria, who will attend a 400-hour vocational preparation course. The second programme, involving 800 persons and submitted by the Calabrian Regional authorities is for vocational training courses of 2 400 hours for young people who lack any qualification or whose qualifications do not meet the requirements of the labour market.

Giolitti

Since its inception, the European Investment Bank has provided loans for a substantial amount of investment in Calabria: from 1975 to 1978 inclusive loans amounting to 122 million u.a. were granted for eight projects. The Commission has undertaken to give favourable consideration to helping with the funding of other projects for Community aid on various counts, using the funds which I have just mentioned; such projects must be submitted by the Italian national and regional authorities responsible and their purpose must be the economic and social development of Calabria. The increase in the allocation made to the Regional Fund will undoubtedly offer further opportunities in this area. The EAGGF Guidance Section allocation is expected to triple during the period 1977-1980 and the percentage of the allocation that goes to the more disadvantaged regions of the Community rose from 40 % of the total in 1975 to 56 % in 1977; in 1980 the figure will be above 65 %. This increase refers of course to all of the disadvantaged agricultural regions and will bring direct benefits to Calabria.

But the Commission also feels that it would be advisable to sit down with the national and regional authorities responsible and look specifically at the opportunities there are to coordinate the various Community financial instruments, including of course the European Investment Bank, in order to promote the development of Calabria. This might meet the need for agricultural and industrial investment on which particular emphasis is placed in the question to which I am replying. In conclusion, I should like to say that I am entirely open to the suggestion for a meeting with the representatives of the Calabrian region which would obviously have to be arranged in agreement with the national government. I would also recall that some time ago I proposed to pay a visit to Calabria as the Commissioner responsible for regional policy but that I had to postpone it owing to circumstances beyond my control. But I would take this opportunity to say that it is still my intention and indeed a pledge which I hope to redeem in the not too distant future.

(Applause)

President. — I call Mr Lezzi.

Mr Lezzi. — *(I)* Mr President, in the short time available to me I should like, first and foremost, to make a plea to Commissioner Giolitti: would he please forward those important facts and figures on Community policy on the Mezzogiorno to the regions concerned. I should also like to take the opportunity to record my solidarity — which comes ideally from someone from a region such as Campania and a city like Naples which are also highly depressed — with the people of Calabria with whom we share a precarious economic and social life. Mr Pucci rightly referred a moment ago to yesterday's debate on regional policy with Mr Delmotte and Commissioner Giolitti as the chief instigators, in which a large

number of theoretical and political considerations were put forward. I shall not ask when the valid points made will be followed by practical action, as I feel that with the aid of the Commission and Mr Giolitti, we have finally succeeded in working out a clear approach to regional policy. In the speech he made yesterday, Mr Giolitti distinguished between the Regional Fund and regional policy, and pointed out with keen satisfaction that a number of steps had been taken towards the restoration of a balance in the problems of the Mediterranean area through agricultural policy measures designed precisely to meet the need, outlined by Mr Giolitti, to regionalize the various forms of intervention in order to satisfy the basic criterion of balance. All of this, of course, does not depend only on Community action; the main protagonists should be the Member States and, where we are concerned, the national government and the regional assemblies. I feel that a move in this direction is beginning to take place, for there is an awareness that in order to tackle and resolve the problems of Italian society we must change the machinery of development and solve or set about solving the problem of the Mezzogiorno, ensuring first and foremost an extension and renewal of the production basis in that part of the country as well as substantial improvement in the employment situation. This of course also means satisfying community requirements such as low cost housing, providing more efficient public transport services and ensuring that social services are more fairly spread and administered more rationally. We realize, of course, that in order to achieve those objectives, the public authorities will have to hold down the public sector spending requirements and that, at the same time, the trade unions will have to hold down wage claims. I do not propose to say more on the subject but I should like to thank Mr Giolitti once more for his assiduous efforts in Campania and especially in Naples which, as we all know, is a special problem.

I understand, Mr Giolitti, that the Community has accepted a sort of commitment to meet the requirements of Naples halfway, especially as regards the inner city and the port facilities. Only a few days ago, mention was made at a meeting of the port consortium on your decisive intervention. I believe that there was also a serious discussion of anti-pollution measures in the Gulf of Naples and both Mr Vredeling and yourself have spoken of measures to guarantee more careful and intensive vocational training for the large numbers of unemployed. I should like to say quite frankly in this House that on a number of points, I should be glad if the Commission would also keep watch, as far as possible, over the way in which this process of vocational training is implemented by the local and regional administrations.

I shall conclude by expressing the hope that after the forthcoming election, the policy of coordination will be put into action.

President. — I call Mr Covelli.

Mr Covelli. — *(I)* Mr President, I should like to thank the Commissioner for having taken note of the content of the questions put by Mr Vitale and Mr Pucci; but I should also like to ask the Commissioner why, when speaking of the funds still to be allocated to this region which has become the poorest in Italy, he made no reference to the restructuring and reconversion of the unfinished production plant in Gioia Tauro. I should like to know if the Commission intends to approve funds for the reconversion of factories which have not been completed or are not in operation, or whether those funds can also be granted — and this is precisely the case in Calabria — to factories or works on which building has begun but not continued because the national governments have failed to discharge their responsibilities, and — without wishing to accuse the Commissioner personally — also because the Commission has failed to exercise proper control. Should we not be doing something about the tragedy with which this region is faced, should we not be allocating funds to Calabria for the reconversion of this undertaking whose final fate is still uncertain?

While recognizing what he has already done to help solve the problems of the Mezzogiorno and what he has achieved there, especially in Campania, I should like to ask the Commissioner not to forget the new arrangements introduced by the Italian Government which has set up a committee of ministers with the task of coordinating more effectively the basic requirements of the regions with applications for Community funds. While I find the idea of direct contacts with the regional authorities commendable, I would ask the Commissioner if he does not think it would be more advisable to discuss the problems of Calabria with this ministerial committee which is to include representatives from the regions. I hope that he will provide us with assurance on this point and that some of the money still to be allocated to the region will go to the factory of Gioia Tauro.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — *(I)* Mr President, despite the lateness of the hour, I hope you will allow me to reply, and I do so gladly, to the question put by Mr Covelli. The answer is extremely simple but unfortunately, clearly in the negative. The ECSC Treaty does not provide funds for the restructuring and reconversion of plant and factories which do not exist. In this case, therefore, the Treaty does not allow us to use the instruments for which it provides. We must avail ourselves of the other instruments I mentioned such as the Regional Fund, the Social Fund and the European Investment Bank and, as far as agriculture is concerned, the Guidance Section of the EAGGF.

As for the question of contacts with the region — not bilateral contacts between the Commissioner and the region of Calabria but with the southern region as a whole — I would point out that such contacts have already taken place. Some time ago, I had a meeting with the committee for the regions of southern Italy, a standing committee, which took place more or less simultaneously with a meeting I had with the Cassa per il Mezzogiorno: I should be very much interested in holding further meetings of this kind.

President. — The debate is closed.

The proceedings will now be suspended and resumed at 3.00 p.m.

The sitting is suspended.

(The sitting was suspended at 1.30 p.m. and resumed at 3.05 p.m.)

IN THE CHAIR: MR COLOMBO

President. — The sitting is resumed.

8. Agenda

President. — I call Mrs Krouwel-Vlam on a procedural motion.

Mrs Krouwel-Vlam. — *(NL)* Mr President, after consultation with the Member of the Commission, I wish to ask you to propose to Parliament that my oral question with debate (Doc. 534/78), which was originally placed on today's agenda, should be held over until Thursday.

President. — You will realize that once the agenda has been drawn up it can only be changed by a vote of the House. You cannot simply change the agenda by agreement with the Member of the Commission responsible, because that would mean that there would be a public agenda approved by Parliament and another, private agenda arrived at by agreement between the author of a question and the Members of the Commission.

I do not think that would be an acceptable procedure.

I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — *(NL)* Mr President, this whole difficulty has arisen because of the way things have turned out with regard to the agenda. Mrs Krouwel-Vlam's question should originally — or so I was informed — have been taken at the end of the debate this morning, and I have arranged to deal with all my other business — I shall be going up and down from Brussels to Luxembourg three times this week — in Brussels on Tuesday afternoon. And so for practical reasons I asked Mrs Krouwel-Vlam to put this procedural motion. I would very much appreciate it if this debate — which, as far as

Vredeling

either Mrs Krouwel-Vlam or I can foresee will only last for half an hour at the most — could be placed on the agenda for Thursday. Otherwise my day will be 100 % wasted.

President. — I note that this question is being withdrawn from today's agenda. The question of whether it can be placed on the agenda for Thursday, 15 February will be put to the Bureau at its meeting tomorrow afternoon; it will then inform the Member of the Commission and the author of the question of its decision.

9. Question Time

President. — The next item is *Question Time* (Doc. 607/78).

We shall begin with questions to the Commission.

Question No 1 by Mrs Dunwoody:

What percentage of reduction, following the changes consequential on the application of the European unit of account to the pensions of European Community officials, will be suffered by those officials in Ireland, Italy and the United Kingdom who have retired on pension from the European Community?

Mr Tugendhat, Member of the Commission. — Mrs Dunwoody and I have been in correspondence on this matter. The introduction of the European unit of account has for the time being been set aside, but the same effect will result from a decision now taken by the Council of Ministers to bring exchange rates used for staff regulation up to date. In about half the cases of pensioners, there will be no reduction at all. These are the cases where the pensioner chose the natural option of receiving his pension in his own country of residence. In the other cases, where the pensioner chose to exploit the outdated exchange-rates then still applied by receiving his pension in a foreign currency, then of course there will be reductions. In some cases these will be up to half. The introduction of this change, which those concerned were made aware of twelve months ago, has been delayed by nine months and will even then be phased in in a gradual fashion.

Mrs Dunwoody. — Is the Commissioner aware that this is not actually the point? If you take somebody on at an agreed rate and you calculate their pension on that rate; and you enable them to live at a particular level, and then at the end of that you say to them: We are terribly sorry but we got the sums wrong and we have decided that we are going to change the rules of the game in the middle, you are an extraordinarily bad employer. And if this is the sort of thing you do to your own employees, particularly when many of them are now actually retired, then there is very little hope that your relationships with other people will be honourable in any way. What does the Commissioner intend to do about it? — It is not enough to say: They were told.

Mr Tugendhat. — I regret that Mrs Dunwoody has totally misunderstood the facts of the situation, if I may say so. We have not changed the pension rates. We have not changed the agreements which we have made. What we have said is that it is quite simply absurd that people can continue to apply a weighting based on the assumption that the pound is worth 120 Belgian francs when everybody knows it is worth 60. We have brought up to date the exchange rates within the Staff Regulations. We have not changed any undertaking. We have closed a currency loophole, and I really cannot believe that honourable Members would believe it right that we should sustain and maintain what is in effect a currency loophole.

Mr Shaw. — Whilst I thank the Commissioner for the trouble he has taken in explaining to us in various letters the problems that are involved in this case, it does seem to me that there is a strong case for an employee of the Community to receive his or her pension in the country in which he or she worked. Unless this is so, that person could change his residence and then find that the rate of pension had changed, if the new residence were within the Community. If he changed his residence to somewhere outside the Community, he would still draw the pension at the rate for the country in which he lived whilst working. Having earned the right in a particular country, it is not fair that he should receive the proceeds of that right in the currency of the country in which he lived and worked?

Mr Tugendhat. — There are a number of points I would like to make in answer to Mr Shaw and indeed further to the question by Mrs Dunwoody, because we are dealing with human beings and this is an important subject.

The first point I want to make is that the change about which the honourable Members are complaining is one that was approved by Parliament in 1977. If Parliament has wished to object to it at that time, it was open to it to do so.

The second thing is that the basis on which people who work for Community institutions are paid, and indeed the basis on which they receive their pensions, is one of equality. The idea is that an A2 official let us say, working in London or Copenhagen or Brussels or Luxembourg should receive the same purchasing power, and the purchasing power is, of course, not always the same as the exchange rate. But an A2 in London should have the same purchasing power and standard of living as an A2 in Brussels or Luxembourg. The same applies to pensions. It is not reasonable that people who happen to come from devaluing countries — Britain, Ireland, Italy, for instance — should have a particular advantage open to them that is not open to people from other countries. The

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pension is paid in the currency of the country in which somebody lives, and it is right that it should be done at realistic exchange rates. I cannot think that it is right that somebody who has worked for a Community institution should be able to get a windfall profit by operating on the basis of exchange rates which are absolutely out of date and wholly unrealistic, and which bear no relation to the present time.

I would also emphasize that our pensioners are really in no sense — since the question is being raised — hardship cases. For example, if an official returns to the United Kingdom with a pension paid directly in pounds of some UKL 9 000 per year, he could receive something like UKL 20 000 by opting to have his pension paid in Belgian francs on the basis of this out-of-date exchange rate. I cannot believe that it is right to provide that sort of windfall profit on the basis of a currency loophole.

President. — I call Mrs Dunwoody on a procedural motion.

Mrs Dunwoody. — The Commission has given inaccurate information to Parliament, and I wish to record that fact.

President. — In that case I can only suggest that you table another question asking whether the Commission's reply is inaccurate.

Question No 2 by Mr Normanton :

Will the Commission, as a matter of great urgency, either increase the number of switchboard operators or install an automatic transfer system so that callers can get through directly to an internal number without going through the switchboard ?

Mr Tugendhat, Member of the Commission. — Certainly I think anybody who works for the Commission, as well as Members, of this House and others who wish to make telephonic contact with us, is aware of the strength of Mr Normanton's question. The difficulties in getting through to the Berlaymont are very great indeed. Fortunately, the Belgian authorities have undertaken to give us a new switchboard which should be in place in three years' time. This will provide for direct dialling from outside to individual extensions. Though the Belgian authorities are certainly anxious to help us, I am sure the honourable Member will recognize, from our own experience in the country from which we both come, that it is not always easy to get a new switchboard quickly. Meanwhile, the Commission has to do the best to improve the present situation with the very limited staff at its disposal. In order to rectify the situation, now, we would need a very substantial increase in staff. As we are going to get a new switchboard in three years' time, I think it would be difficult for us to justify the

enormous additional staff which would be required. But I suffer as much from this as he does, and I sympathize with the question.

Mr Normanton. — Whilst expressing gratitude to the Commission for the frankness and the honesty of that reply, may I repeat with all the sincerity at my command how deeply I deplore the statement which he has made. Will he not agree that the European Parliament will never be the parliament of the people of Europe until the people have immediate and constant access to their elected representatives by telephone, by post, by road, rail and air ? The perambulation of the European Parliament between Brussels, Strasbourg and Luxembourg will continue to be a barrier to such direct access. May I give the notice to the Commission that this will be raised repeatedly until we get a satisfactory response ?

Mr Tugendhat. — Mercifully, we are not responsible for the switchboard at the European Parliament, though I agree with many of the sentiments which the honourable Member has expressed. I would also like to make this point : as the honourable Member knows, and as I have said on many occasions and in many different contexts, the position of the Commission staff is a very grievous one. We are very short. Now it has been borne in upon us in the past by Parliament and the Council that in the allocation of temporary posts, priority should be given to enlargement, to steel, to textiles. I do not dispute those priorities ; they are major priorities. But if the budgetary authority believes it right to give us a very limited number of staff, we have to sacrifice some priorities to others. In the past, we have, I must say, tended to sacrifice the telephone to these other urgent matters that have been brought in upon us. I hope Parliament will bear this in mind when it considers our staff requests in the budget.

Mr Brugha. — Could the Commissioner say who is responsible for the switchboard of the Parliament here ?

(Laughter)

Mr Tugendhat. — I hesitate to become involved in Parliament's internal affairs.

(Laughter)

President. — Question No 3, by Mr Albers :

What progress has been made towards coordinating the various Funds ?

Mr Giolitti, Member of the Commission. — (1) Mr President, the size and complexity of the subject oblige me to give a reply that is somewhat longer than is usual. However I shall confine myself to essentials.

Giolitti

As Parliament knows, when the present Commission was constituted, this Commissioner was entrusted with responsibility for coordinating all the various means of aid with a structural purpose: the Regional Fund, the Social Fund, the EAGGF Guidance Section, the European Investment Bank, Investment Credits, the ECSC.

The mandate carries with it a right of co-decision and of association in all decisions relating to existing structural instruments and any others which may be created. The idea is to arrive at a concept of a coherent overall policy, albeit respecting the specific aims allocated to each instrument.

In the years 1977-78 — the first two, experimental years — important changes were introduced — in addition to the innumerable decisions relating to the operations and management of the funds — in the structural policies, in their instruments and in the actions undertaken with those instruments. Coordination is not only intended to develop the structural policies and their instruments but, at the same time, is devoted to defining the guidelines which should direct more far-reaching undertakings.

These guidelines, of which the Commission took note in 1978, may be summarized, without going into technical detail, in the following terms: continuous improvement of the technical configuration of all the aids, i.e., of the criteria for project selection, of the system for sharing contributions and an improvement in the mutual compatibility of all the schemes for aid; a more rational use of the Community's limited resources; the development of structural aids in the context of a new overall balance in Community policies and expenditures, in an ever greater effort to adjust structural and regional imbalances.

Particular efforts have been made: to reinforce actions in favour of the improvement of agricultural structures and of the links which should be forged between these actions and those devoted to regional development; to establish better coordination between actions devoted to industrial restructuring and those to support reconversion in the areas concerned; to facilitate a global approach to structural problems with a view to encouraging, where possible, on an experimental basis, a harmonized use of the various financial instruments; to reinforce the combined use of Community loans and interest rebates in the aim of obtaining multiplier effects.

The achievement of the goals enshrined in these guidelines is a continuous, gradual and certainly long-term task, the results of which will not be felt for a long period of time, for a range of reasons: because of the time taken, sometimes very long, by Community decision-making (the time taken for the adoption of the amendments to the Regional Fund regulation represent a very recent example of this); because, among

other things, of the time taken to put some actions into operation in certain regions, as experience showed in the application of the socio-structural directives in agriculture; or, more simply, because of the time normally necessary for investments to be carried out, which normally takes a number of years. There is thus a long road to be travelled from the application of the guidelines to the enjoyment of their results.

Nevertheless, I can say in conclusion that recent developments, and those planned for all the Community's principal financial instruments, permit us to record significant areas of progress. It proved possible, in 1977-78, to bring about improvements in the right direction in the technical configuration of all the financial instruments, even if it might have been hoped that the changes would be faster and more far-reaching. These changes are facilitating improved effectiveness of the actions in the context of specific objectives, while at the same time efforts continue to secure a greater concentration of aids.

Mr Albers. — (NL) Would it be possible for the Commission to inform us in a regular brief report what all this means in terms of manpower and money?

Mr Giolitti. — (I) I welcome this request from the questioner. The Commission will certainly strive to provide more systematic information on progress achieved in this area.

Mr Scott-Hopkins. — After Mr Jenkins's reference to rural development, can the Commissioner say whether he is prepared to examine the possibility of setting up a rural fund to include sections of the Regional and Social Funds and the EAGGF Guidance section, in order to promote prosperity and development in the rural areas of the Community?

Mr Giolitti. — (I) Obviously I cannot commit the Commission with regard to the proposal which the questioner has just formulated. On my own behalf, I can say that I think it worth considering and that we will give it the attention that it deserves.

Mrs Dunwoody. — When would the Commissioner actually expect the three main funds that are of interest to us, the Regional Fund, the Social Fund and the Guidance Section of the EAGGF, to be operating completely efficiently in relation to each other? How long does he think it will take before we really get to point where they are actually working in concert?

Mr Giolitti. — (I) As I tried to explain in my answer, we cannot talk about a final point in the journey. I spoke of a continuous process of coordination and of efforts to achieve an ever greater coherence in the convergent tasks of these various instruments. I referred to the progress we have made in this area and

Giolitti

I reiterated the commitment to continue down the road upon which we started out.

Mr Spinelli. — (I) Could the Commission periodically submit to us an assessment indicating whether total finance at the disposal of the Commission for the operation of these aids was sufficient overall to make a visible and significant effect on the state of the economy in the various countries, or whether it was well below the minimum level?

Mr Giolitti. — (I) As I said yesterday replying to another debate which touched on the same subject, the overall magnitude of the financial resources devoted to the structural instruments is below the minimum level necessary for the impact of Community action to attain the desired degree of effectiveness. We are still faced with instruments placed at the service of what we are accustomed to call 'auxiliary policies' or 'support policies' executed with much larger resources by the national governments. Here too we are dealing with a general tendency which we are seeking to develop, but which can only be developed in the long term.

Mr Mascagni. — (I) I understand that the efficacy of coordination is primarily dependent on a spirit of collaboration among the various sectors of work, but I ask if you do not consider it possible or desirable to bring in legislation which will render the work of coordination more effective, more homogeneous and speedier?

Mr Giolitti. — (I) On my proposal the Commission adopted, in 1978, the guidelines to be applied in the management of the financial instruments with structural purposes. As I have said, we are in what might be called an experimental phase, and certainly we must make the further progress desired by the Member who has just spoken.

President. — Question No 4, by Mr Edwards:

Following the report of the Bureau Européen des Unions de Consommateurs (BEUC) showing drastic differences in the price of identical medicines in different member countries, will the Commission support the establishment of a commission on drugs, as recommended in the report?

Mr Vouel, Member of the Commission. — (F) I should first like to remind the honourable Member that there at present exists a certain number of committees and commissions devoting themselves to the special problems of the pharmaceutical sphere. There is, firstly, the pharmaceutical committee, which, as is well known, is composed of experts of a very high level and which has a general area of competence. There is also the Committee for Proprietary Medicinal Products, also made up of experts, which looks into questions concerning the quality, innocuousness and effectiveness of medicaments. Then there

is the Consumers' Consultative Committee, which gives its opinion on certain questions relevant to the area of pharmaceutical products.

In addition, and this is certainly in line with the concern of the honourable Member, the Commission has made plans shortly to create a commission on pharmaceutical prices which will supervise a more vigorous coordination of action by Member States and by the institutions concerned in the Member States.

All these committees having done good work and not fallen below requirements — with the exception, of course, of the last, which has yet to be created and will not fail to show its paces — the Commission has no plans at present to create another committee for pharmaceutical products.

Mr Edwards. — I thank the Commissioner for that rather full and detailed reply, but he did not answer the question — namely, was the Commission prepared to set up a commission to deal precisely with prices? I was aware that you had a number of technical committees dealing with the pharmaceutical industry — most of them manned, I am afraid, by representatives of the multinational companies. I am sure the Commissioner realizes that there is a very big discrepancy between the prices of tranquillizers, vitamin tablets and antibiotics right across our Community, and some of the multinational companies are making as much as 1 000 % profit on some of these products, thus exploiting our public health systems. So I hope the Commissioner will have another look at this problem and let us have a clear answer. Are they prepared to set up a commission that will harmonize prices in our Community?

Mr Vouel. — (F) Perhaps I did not make myself sufficiently clear, but I thought I said that the Commission intended very shortly to create a committee on pharmaceutical prices precisely in the aim of achieving a wider coordination of price policy in this area. But what the Commission does not intend to do is to create a top-heavy committee like that called for in the report of the European Bureau of the Consumers' Union.

Mrs Squarcialupi. — (I) Irrespective of the creation of a new committee on pharmaceutical products, we consider that the Commission already has the right to intervene in respect of the prices of medicaments produced by the big pharmaceutical firms — prices which differ from one country to another and which are only lower in those States which exercise control of these prices, either directly or through provident institutions.

Mr Vouel. — (F) Repeatedly — I think the last time was in answer to a question by Mr Cointat — the Commission has stressed the multiplicity of factors which is responsible for price divergences between the

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various Member States. These price divergences arise from the fact that one country pursues a price-fixing policy and another does not. These price divergences can arise for fiscal reasons: in some countries the rate of VAT is higher than in others. In short, the differences in price can arise from a dozen different causes, and as a result the Commission does not possess, as the honourable Member believes, means of intervening in all these areas to see that prices are the same throughout the Community.

What it has got the right to do is to watch out for abuses and to clamp down whenever it confirms one. Each time there is a distortion of competition or the abuse of a dominant position, the Commission unfailingly intervenes, and I cite as evidence of this the judgement just handed down by the Court of Justice in a case which is, I think, very instructive and very important in this regard.

Mr Fletcher-Cooke. — Is not the Commissioner aware that there are quite enough committees fixing quite enough prices throughout Europe as it is, and that what we require of the Commission is not yet another committee to fix more prices but a thorough drive in their competition policy to see that the workings of the market produce proper low prices instead of the bureaucratic interference which the Commissioner is being asked to institute?

Mr Vouel. — (F) It is because the Commission considers there is insufficient competition in the sphere of pharmaceutical products that it intends to create this committee on prices, which will deal with these questions. But the Commission does not intend to interfere in a bureaucratic way in the conduct of matters of production or distribution of pharmaceutical goods. It has never done it in the past, and it has no intention of doing it in the future.

Sir Geoffrey de Freitas. — The Commissioner referred to the setting up of another committee. When will it be set up and, when setting it up, will full attention be paid to the interests of the consumer, who is, after all, not only the ordinary citizen of our countries but the tax-payer?

Mr Vouel. — (F) This will be done in the near future, certainly in the course of this year.

Mr Mitchell. — Could the Commissioner give us just a little more information about this committee which he proposes to set up? What sort of people is he proposing should sit upon it? Are they Commission employees, full-time Commission officials, or are there going to be people from outside as well?

Mr Vouel. — (F) The final membership of the committee has not yet been determined.

President. — At its author's request, Question No 5, by Mr Yeats, will be held over until the next part-session.

Question No 6, by Mr Scott-Hopkins:

Does the Commission believe that the varying restrictions on private land ownership in the various Member States are in any way a hindrance to either the development of the common agricultural policy, or to the rights of establishment and to free exercise of professions specified in the Treaties?

Mr Giolitti, Member of the Commission. — (I) In the majority of the Member States restrictions on the private ownership of land do not present obstacles to the development of the common agricultural policy or to the right of establishment or to the free exercise of professions. In Ireland the 1965 Land Act, in Clause 45 (2a), limits the right of establishment on land to Irish citizens alone. The Commission in trying to get this clause repealed.

Mr Scott-Hopkins. — Is it not a fact that, in addition to the case the Commissioner has mentioned to the House, there are many countries within the Community that will not allow other nationals or institutions to buy land. There are restrictions on the type of people who can buy land. Is it not about time something was done to remove this particular restriction which is holding development back throughout the Community, and will the Commission take care to do something about it at the earliest possible opportunity?

Mr Giolitti. — (I) The Commission knows of no specific, concrete cases of restrictions in the sense indicated by the questioner. The fact that he puts this question will, of course, stimulate us to widen our investigations. If the findings are appropriate, the Commission will act in the same manner as in the case of the Irish law which I have already mentioned.

Mrs Ewing. — Will the Commission bear in mind a burning issue at the opposite extreme and speculation on an enormous scale made possible by the absence of restrictions on the ownership of land? As the Commission is perhaps aware this is a burning issue in Scotland which has some of the greatest tracks of undeveloped land in the EEC, and where non-EEC nationals, notably from Arab countries, but also some EEC nationals, speculate on the land without offering any contribution or involvement to the local community in which the land lies. Will the Commission bear in mind that this is a burning issue, although it is the inverse of the point raised by the questioner?

Mr Giolitti. — (I) The Commission is not in a position to put forward solutions to the problems mentioned by Mrs Ewing. As regards this question, we have been concerned with the consequences which might arise from limits placed on the extent of the ownership of land. This is a question of the reverse phenomenon. The Commission will also be able to examine this aspect of the question, although I repeat that at the present time I am not in a position to give a specific reply.

President. — Since its author is absent, Question No 7 will receive a written answer ¹.

Question No 8, by Mr Brugha :

Further to my oral question to the Ministers of Foreign Affairs during Question Time in the October part session ¹ on the possible contribution that the Community could make to furthering the hopes for peace following the Camp David Summit, does the Commission seriously consider that, to date, the Community's efforts have been sufficient, and what can it do in the immediate future to promote peace in this area ?

Mr Haferkamp, Vice-President of the Commission. — (D) The Commission is following the current negotiations with very close attention. It greatly hopes that they will quickly lead to a just and lasting peace in this region. Securing this peace demands a solid economic foundation and thus — we also believe — special aid for the development of this region. In view of the relations which the Community already has with all the countries of this region, and in view of the financial aid we already give, we think that special efforts should be concentrated on regional projects — which will be likely to have favourable effects on cooperation in this region between the Arab countries and Israel. However we do not consider it opportune to put forward proposals in the sense indicated here before the peace negotiations have been concluded and before the States involved have made known their readiness to participate in regional economic cooperation.

Mr Scott-Hopkins. — Does the Vice-President of the Commission think that Europe has some part to play, and would it not be advisable for the Commission to ask the Council to give them a mandate to intervene and to use the experience, the knowledge and the power the Community has in this respect ?

Mr Haferkamp. — (D) As I have already said, our view is that, from the first day of peace onwards, we should concentrate our efforts on the opportunities for promoting cooperation, on stabilization in the region, if you like. Obviously until then we shall continue the cooperation we have been involved in hitherto. I do not believe that the Community is at the present time — in the preparation for peace — involved in the way indicated by the Member.

Mr Nyborg. — (DK) Commissioner Haferkamp says that the Commission is willing to provide economic relief to help to promote peace in these areas. As far as I know we have an agreement with Israel giving it 80 % customs relief, but so far, to the best of my knowledge, the Commission has only granted 60 %. This is not exactly in keeping with the answer Commissioner Haferkamp has just given. When does the Commission intend to rectify this situation ?

Mr Haferkamp. — (D) Here we must make a certain distinction. On the one hand there is obviously the continuing cooperation with the individual States in this region on the basis of the existing agreements, under which we have arrangements governing both trade and technical and financial help. That is something which exists, and which we shall pursue. It is to be distinguished, on the other hand, from what forms the subject-matter of the question, namely, what can the Community do in connection with the peace settlement under the heading 'Camp David' ? We have expressed the idea that we should — if you like, from the first day of peace onwards — engage in efforts towards regional and other cooperation. Naturally, however, our cooperation on the basis of existing agreements continues.

President. — Question No 9, by Mr Spicer :

What consideration has the Commission given to the opening of a European Community Information Office in Malta ?

Mr Haferkamp, Vice-President of the Commission. — (D) In view of the financial and staff resources available to the Commission, it does not see itself in a position at the moment to establish a Community representation in Malta, whether in the form of a press and information office or in any other form.

Mr Spicer. — Is the Commissioner aware that that reply will prove to be a very great disappointment, not only to many Members of this House but also to the people of Malta ? Is he also aware that this was discussed last year at the first meeting of the EEC-Malta Joint Parliamentary Committee, and that the proposal that such an office might be set up was welcomed by the Maltese with open arms ? Is he further aware of one other point — that the people of Malta have a sense of identity with Europe, and that the vast majority of them believe that they are European ? And if we are not prepared to set up an information office there, what other steps does the Commission propose to take to help them strengthen their sense of identity with the European Community ?

Mr Haferkamp. — (D) In the context of the agreement with Malta we have not only examined a number of possibilities in recent years but have also proposed inclusive technical and financial aid. I should like to lay special emphasis here on the fact that we wish for this cooperation, that we have great understanding for the economic and especially the structural problems of Malta and that we are also interested in a close link, precisely because of certain problems and difficulties which have arisen over trade. But it is quite another thing, when we simply do not have the staff and budgetary resources, to think about an office of this kind at the present. We could certainly have a debate about what other places in the world we should be represented in. This disappointment does not only affect Malta, but we are doing everything we can to promote good cooperation in specialized areas.

¹ See Annex.

Mr Mitchell. — Does the Commission have a priority list for the establishment of new information offices when resources do become available, because many of us know that Malta will be, at the moment at least, rather a long way down that list, and that there are other many more deserving causes.

Mr Haferkamp. — (D) There is no fixed order of priorities. These would obviously be determined in the light of current political requirements.

Mr Prescott. — I would like to support the Commissioner's attitude on this issue of Malta, because I think it has to be recognized by this House that the Common Market is a contentious issue inside Malta itself. I am not taking sides on the matter. I do not know whether action of this kind was recommended by the Association Committee, it may well have been, but it is a highly political, sensitive matter, and it is far better for the Commission to take a decision when all parties seem to be in agreement.

President. — I declare the first part of Question Time closed.

10. Votes

President. — The next item is votes on motions for resolutions on which the debate has closed.

I put to the vote the motion for a resolution contained in *the report (Doc. 558/78) by Mr Delmotte: Third annual report on the European Regional Development Fund.*

The resolution is adopted.

11. Shipping and pollution

President. — The next item is the report (Doc. 555/78) drawn up by Lord Bruce of Donington, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on

I. the best means of preventing accidents to shipping and consequential marine and coastal pollution, and

II. shipping regulations.

I call Lord Bruce.

Lord Bruce of Donington, rapporteur. — Mr President, the House will recall that soon after the Amoco Cadiz disaster last year, Parliament decided that the Committee on Regional Policy, Regional Planning and Transport should be authorized to set up a public hearing into the whole question of the avoidance of accidents at sea, and the minimization of consequential pollution. Mr President, this in due course the committee did, and at the meeting in Paris from 20 to 22 June, it had the opportunity of hearing evidence from a very wide number of organizations involved in the whole question of transport at sea. These are set out on page 53 of the report, Doc. 555/78, which I

have the honour to submit to the House on behalf of my committee.

Mr President, while we are talking here today, and by the time night has fallen, a very large number of craft will have sailed up from the approaches to the English Channel right the way through the English Channel itself, up to some of the northwest ports of the Community. Within 24 hours, hundreds of thousands of tonnes of oil and other chemicals will have passed up through the shipping lanes to these ports of reception, and ships will be going in the opposite direction out towards the Atlantic again. From time to time, Mr President, grievous accidents happen. It is perhaps characteristic of our present civilized approach to these questions that they only attract public interest when they happen. When the Amoco Cadiz disaster occurred, the press of the world was replete with photographs of the birdlife that emanated from the Amoco Cadiz and which undoubtedly evoked much emotional response amongst the peoples of Europe who saw the photographs. At the same time there was widespread public agitation — quite rightly so — amongst those of the maritime regions, principally in the northwest of France, affected by the pollution that occurred. This publicity and the public interest in it continued for about seven days or at most a fortnight. But it is perhaps characteristic that even though the incident itself provokes an emotional response, and even though it evokes public interest, it may perhaps be held unfortunate that the subsequent steps that have to be taken in order to rectify such situations and prevent them happening in the future do not attract the same public interest as do the incidents themselves.

And so, Mr President, bearing in mind that even after the Amoco Cadiz there occurred the incidence of the Christos Bitos and after that the very tragic accident in Bantry Bay are still faced with the fact that the constructive solutions to these problems, the evoking of public interest in them, the harnessing of political effort towards a solution does not attract quite the same attention or public sympathy as the incidents themselves. The report that I have the honour to present to Parliament seeks only to bring into focus some of the matters that were revealed in the course of our hearing. Quite clearly a hearing occupying some three days could not hope to enter exhaustively into all the technical questions involved and so, Mr President, this report is presented to Parliament with the object of focusing Parliament's attention in certain directions, nothing more. And my remarks this afternoon, Mr President, similarly are not intended to present the report itself in detail but to focus Parliament's interest on certain aspects of it.

Mr President, what we found is this: although accidents at sea are inseparable from the hazards involved in sailing craft amidst the vagaries of nature, although

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accidents at sea can never be entirely owing to the hazardous business of taking ships across the oceans, nevertheless, concerted political action was capable, very substantially, of reducing the circumstances in which accidents might take place. I would just like to emphasize one or two of these factors.

Perhaps, Mr President, the first thing I ought to say is that a very large proportion of craft sailing the oceans at this present time, some of them engaged in the transport of dangerous items of cargo, some of them transporting oil and other things that can cause pollution, are in fact unsuitable for service anyway. There are many ships at present sailing which are substandard by any reasonable standards of navigation. This point is perhaps worthwhile emphasizing in view of the present parlous state of the shipbuilding industry in the Community itself. If those ships that were over 20 years old were withdrawn from service at the present time, and ships ordered in their place, there would be a very substantial resurgence of the shipbuilding industry throughout the Community. We did indeed hear evidence of craft that were sailing the oceans that ought not to have been there at all. And this calls into question two matters. First, the standards of inspection operating at the present time: had evidence produced to us of ships that were inspected and passed as fit and three weeks later were found to be utterly unserviceable and a menace to shipping wherever they were. We had other evidence, too in regard to the insurance of ships, and we found that, of course, unlike motor transport — at any rate in the United Kingdom and I believe in other countries of the Community — where a certificate of inspection was required before insurance, such was not the case with shipping. So that, provided an increased premium were paid on a sheer risk or gamble basis, we found that insurance facilities were available to substandard ships.

We found also, and evidence was available to us — incidentally, the minutes of the evidence are produced verbatim in the document PE 54.206 — that standards of manning were not up to those that had been agreed, or purported to have been agreed, under the international conventions; we found that there was evidence that training standards as agreed in the various IMCO conventions were not being kept to in many instances. We had examples given to us of many of these factors. Evidence was produced to us, that drill in the case of emergency aboard craft was a rarity rather than anything else. These and many other factors were produced before us in the course of the hearing. One thing that we found as a common thread running through the various items of evidence produced that practically all parties were content to wash their hands of the business by saying that, of course, these were a matter for the International Maritime Consultative Organization, IMCO, whose conventions all of them warmly respected.

Now, Mr President, it can be said immediately that if all the different conventions of IMCO to which various States, not confined to the Community, subscribe, were in fact ratified and enforced, then many of the troubles and many of the causes of accidents at sea would be eliminated. The fact of the matter is, Mr President, that although a very large number of States, including Member States, ratify these various conventions, including those relating to the safety of life at sea, including those that relate to marine pollution, on average about four and a half years elapses between the date of subscription to the convention and the date of ratification and enforcement.

I do not want to keep the House too long on this, and I observe the gavel in our hand, yet I must point out to the House that the Community, as a Community, has an enormous responsibility in this. If once the Community, if once the Commission with the authority of Council, laid it down by directive in mandatory form that all Member States should in fact ratify and enforce the conventions to which they had subscribed, most of the dangers and most of the prime causes of these troubles would be eliminated. This is by no means confined to the matters on which I have touched. It also includes the very widespread use of flags of convenience by charterers of ships. Although substandard ships are by no means confined to those under flags of convenience, it is nevertheless true that adherence to flags of convenience is a convenient means for charterers to take the fullest possible advantage of all economies that can be made by reason of tax saving, by reason of manning levels and the rest. That is what flags of convenience means. There is no doubt that, at any rate in some quarters, the drive for the maximum profit out of sea-carrying operations is one of the principal causes, in itself, of incidents and accidents at sea and the production of those circumstances in which they take place.

There is one final point with which, with your permission, I would like to deal and that is the question of pollution itself. Many people are under the impression that once the oil-slicks and so on have disappeared, once they have sunk below the sea and are no longer any menace as such to the coast which might otherwise be threatened, the trouble is over. Mr President, we heard most impressive evidence from Mr Turquier of the Marine Biology Laboratory of Paris that this is not so, that you cannot sweep it under the carpet by merely applying dispersants to it and relying on it to disappear under the ocean. Once pollution occurs, the only really effective way of safeguarding society is to ensure that the oil is mechanically collected somehow in order to prevent it from going under the ocean itself. Otherwise, in the words of Mr Turquier, we shall in fact be slowly poisoning the oceans upon which ultimately our very life may depend.

Lord Bruce of Donington

Mr President, I have only been able to bring a certain number of matters into focus. I hope other colleagues will be able to emphasize other aspects, but I hope I have given a sufficiently sharp focus to enable me to commend my report with confidence to the House.

IN THE CHAIR: SIR GEOFFREY DE FREITAS

Vice-President

President. — I call Mr Prescott to speak on behalf of the Socialist Group.

Mr Prescott. — Mr President, I first of all wish to apologize for the fact that I have not prepared a proper speech for this debate, as it was dropped on me at the last minute. My experience in this field, as the House well knows, is largely to do with the sea. I have, of course, debated this subject on a number of occasions in this House, when it was not of so much public concern as it is today.

I should like particularly to congratulate Lord Bruce on his very eloquent contribution — a very knowledgeable one. I say that with all the sincerity of someone who has spent ten years involved in this particular problem, ten years ashore and ten years at sea. He has shown an admirable grasp of these very sensitive matters and of the difficulties of dealing with the problems of pollution. Not only are oil tankers increasing in size, the incidence of accidents is rising.

I think the Committee on Regional Policy, of which he is the chairman, is to be congratulated for showing such an initiative for a public hearing. I indeed had the honour to attend this hearing and make one or two contributions and observations. I think it was a very valuable hearing, certainly the best I had ever attended on this problem — and I have attended them both in my own national parliament and here in the Community. I think he revealed to us the main advantage of Community activities in that they were able to draw on evidence from people from all round the Community, thus presenting the problem in its European context. I think that is a very important concept in dealing with this problem. We were able to consider the problem not solely from the point of view of British representatives, but also from that of people from France and other countries who gave very knowledgeable evidence.

I think the report adequately illustrates the difficulties. Its main contribution is that it develops the argument that one has got to have a more global approach than the national approach. As an ex-seaman who has spent some time trying to convince the British Government that we have to take action of much greater scope than national British action, I welcome the recommendations of his report. There are some things, of course, which I would question on the basis of my own experience, but the main contribution of the report is that it puts it all together in a global

approach; that is the main factor that one has to bear in mind.

I can well remember the contributions made in the committee, because two of the problems I dealt with are still very relevant and have still not been solved. They concern controls on the use of these ships and the incidents and accidents that occur. For example, I pointed out to the committee that a major problem in many incidents of pollution is that these vessels fly flags of convenience, as the chairman of the committee pointed out in his report. One of the major problems in many incidents of pollution is that these vessels fly flags of convenience, as the chairman of the committee pointed out in his report. One of the major problems there, of course, is that these flags of convenience countries, which basically sell their flag to a company wishing to avoid tax payments and the stiff controls that traditional maritime countries impose, rely on what we call classification societies. There are four or five of them, four of them are European, and their function is to declare a ship to be of a certain standard. I pointed out to the committee that one ship had already been given a classification 'A' by a major classification society in Europe, a very well-known and highly reputable company. But these flags of convenience operators use these companies as almost a legitimization for their activities. The ship I brought to the attention of the committee was classified as safe by international standards. Less than two weeks later it was stopped in Sweden with the hull rusting, the lifeboats rotten, the fire extinguishers not working. It was considered by the Swedish authorities to constitute a threat to the seas and arrested. It was admitted at that stage by the classification society that they had made a mistake. Well, in the last week I have been informed of another ship passed by the same classification society as safe, but which has now been stopped and declared a threat to the people that sail the vessel and a threat to the other ships at sea. So clearly these operations continue, however good the reputation of the company may be.

The only answer is for the nation States and States collectively acting within IMCO to impose precise acceptable standards.

The other example I gave to the committee — of an incident which I am sorry to say has not been concluded — is of someone who bought a vessel in Taiwan, registered it under the Taiwanese flag and, according to a legal deposition by the captain, sent it to sea in order to sink it to claim the insurance. This company had previously sent two other vessels to sea, sunk them and claimed the insurance. No consideration at all for seafarers, but simply making a business of sending coffin ships to sea to deliberately sink them! All this is documented. The unfortunate crew with their captain were arrested in Africa and still languish in gaol. Nothing has been done to remedy this situation. The only ones who fight for these

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desperate seamen in this situation is the international trade union movement of which we hear a great deal of criticism, particularly in my own country. Because of the failure of governments and international organizations to face up to this problem, the trade union movement has to take action — using, incidentally, for those British listening, the method of secondary picketing and secondary strikes, but that is, of course, purely for internal domestic consumption in Britain at this stage. Nevertheless, the tendency has been to leave it to the shipping industry to solve this problem.

When the *Torrey Canyon* sank the shipping industry took the view at that time that this was a unique case and would not happen again. We disagreed at the time and the committee of the House of Lords disagreed with the shipowners. The evidence is there for anyone to see that these incidents have continued and are continuing.

So the main point that I would like to make and which my group has been concerned with for some time, is the ever-increasing growth of flags of convenience. They account for 30 % of the total tonnage. It is not the Russian fleets — we hear more about them, but they only represent a small percentage and not many of their tankers are running aground, though I can see this is part of the problem — but flags of convenience that are the real threat. So I agree with the point made by the rapporteur, and indeed by the Commission, that it is not enough to tackle this problem at national level, that what is needed is a coordinated approach within the European concepts, as I think the House will readily recognize. But this is an area in which it can make a powerful contribution only if we agree on the definitive standards recommended by the rapporteur in his report and enforce them by the use of the port-state mechanism, i.e. by insisting that no ship shall enter our ports unless it meets the minimum safety and pollution standards we lay down. That is why my group put the port-state concept into the Law of the Sea policy document two years ago. We are glad the United Nations is recommending it, but unfortunately like most international agreements it requires all the nations to agree, and unfortunately because of vested interests many of the nations are refusing to accept it. So I would support the rapporteur in encouraging the Commission to continue to work for a coordinated European approach and perhaps even set up a European coast-guard system defining and enforcing standards, giving no commercial advantage to one port over another or to one shipowner over another.

Mr President, we hear an awful lot about oil spilt from tankers. We never very much hear about the lives of the seafarers, the deaths and the tragedies to their families that occur when these incidents take place. All too little is done about those circumstances, so I hope we bear in mind that the issue is simply not an environmental one. It involves human beings, it involves

seafarers. I think the rapporteur has done a service today in his report to this House by giving further impetus to the Commission and to the Council of Ministers to reach agreement rapidly to enable us to coordinate our strategy and to prevent further incidents of this sort, many of which could be prevented by proper standards.

President. — I call Mr Fuchs to speak on behalf of the Christian-Democratic Group (EPP).

Mr Fuchs. — (D) Mr President, ladies and gentlemen, Lord Bruce deserves our thanks today on two counts. The preparations he made as chairman of the hearing in Paris could scarcely be bettered. He organized it outstandingly well and conducted the proceedings most firmly and successfully. The hearing produced a whole range of suggestions but the individual submissions, some of them controversial, also brought out the problems that are still outstanding and showed that there are limits to what can be done to solve them. As rapporteur, Lord Bruce has set out the conclusions to be drawn from this hearing. Most of the proposals he has made are feasible and I should like to congratulate him on both of the counts I have mentioned.

The Christian-Democratic Group has, from the outset, set great store on measures to prevent tanker accidents and consequential pollution of the sea. We therefore support the motion for a resolution, as well as the Commission's proposals and action programme, which likewise provide excellent pointers to the way in which the problem should be tackled.

I cannot conceal my disappointment, however, at the attitude taken by the Council. The Council has certainly to contend with more serious political difficulties but I feel that it lacks the decisive political will to set about this problem properly. As a result, the whole problem is watered down and its impact weakened; instead of binding rules, what we get from the Council are mere recommendations, or simply silence, or even a refusal to approve the proposals made. There is little encouragement here, ladies and gentlemen, and I believe that a radical change in the Council's attitude is needed.

Individual countries, Member States and others, deserve, to my mind, even sharper criticism. Appropriate agreements exist but they are not ratified and when they are, they are not enforced. And even where they are very loosely enforced, there is no supervision. I feel that this is an area where the Member States of the Community must set a good example and apply agreements even when they have not been ratified by all concerned, for as the report so rightly points out, ways and means do exist to combat the danger of sea pollution. What seems to be lacking, however, is any real sense of urgency on the part of the Member States. The urgency is nevertheless plain for all to see.

Fuchs

Tanker accidents cause particularly serious damage to the environment. The damage is visible and spectacular and impresses itself on nearly everyone. For this reason, there is also a certain willingness to do something about it but, despite this, we sit back time and time again and do nothing. And yet the dangers are steadily increasing. Bigger and bigger tankers are unfortunately being built and the number of people affected by accidents is growing larger. The risks are growing greater the costs are rising disproportionately and the subsequent after-effects are a matter of particularly serious concern as they are incalculable and may well even prove disastrous in certain areas. Ladies and gentlemen, I believe that forceful action to combat such accidents is part of what has been called the generation pact, for the generations to come would also suffer if the seabed for instance were to be polluted. What can be prevented or at least substantially alleviated today with a reasonably acceptable outlay will later cost many times as much if nothing is done. Indeed, the costs might perhaps be beyond payment, even assuming that the damage could be repaired at all. In other words, the present generation and today's politicians are irresponsibly mortgaging the future of the generations to come. I believe that this goes against the generation pact, which does not only apply to pensions but also includes various other aspects of which, to my mind, this forms one.

I believe that the considerations I have just put forward show how important and urgent it is to find really effective answers to the problem. This is why an overall concept is required and why practical individual measures are also necessary. But as I have already said, progress is still unfortunately too slow because our political will is too weak. One of the reasons for this is obviously a lazy conscience. Lord Bruce pointed out earlier that indifference grows with the square of the distance in time from a given accident if I may put it that way. An accident occurs, there is general consternation among those who govern and those who are governed, followed by a pledge to take remedial action, talk about how it can be done and then, some time later, by a calming of the conscience. The subject is avoided and, to use the psychologist's term, repressed. There can be no doubt that this is a completely wrong approach. We must break out of this vicious circle and I believe that a heightening of conscience is the only way to do so. As has already been pointed out, the mass media too have a part to play here, by raising a warning voice not only when accidents occur but at all times. I am tempted to say that what we need here is a Cato to repeat his *ceterum censeo* to the world in order to wake us from our long slumber.

Ladies and gentlemen, the report before us points the way to possible remedies.

We support those proposals and I feel that there is no point in discussing them at length once again. I should simply like to single out a very few points.

The hearing made it quite clear that the main cause of accidents is human failing but it would be too easy, not to say unfair, to believe that human failing occurs only on board ships. It begins at the very top with the governments, who do not possess the necessary courage to take forceful action in this sector. I repeat that we must set a good example as the United States have done by declaring that they would apply one of the relevant agreements to themselves, regardless of whether it had been ratified by all concerned. I believe that the Community could follow the same path. Whenever the human factor is involved, poor training is often partly to blame. This is also something which should give us cause for concern and must be changed. We have already heard references to substandard ships in this debate.

Ladies and gentlemen, cheap flags of convenience are one of the major factors involved but I wonder what 'cheap' means in this context. In reality, those so-called cheap flags prove highly expensive, I would say all too expensive. For this reason we must take strong action to guarantee that all ships comply with the proper modern technical standards and to do this, joint Community action is absolutely essential.

I now come to the final problem. Once an accident has happened, the damage caused must be repaired. The use of chemicals has proved to be a highly questionable method as it simply defers the problem. There is only one really acceptable method and that is the removal of oil slicks by mechanical means.

The Commission has made a proposal for a research programme with which we should push ahead. I believe, however, that we should give special attention to one particular development. A ship is being developed in the Federal Republic of Germany the bows of which open up like scissors to swallow up the oil slick; up to five thousand tonnes per hour can be removed in this way. The Commission has confirmed that this is a promising development and I should like to ask them to follow it with particularly close attention and, if necessary, to commit themselves to ensuring that it is introduced at the earliest possible juncture.

Prevention, ladies and gentlemen, is certainly always better than cure. We must therefore begin by striking at the root of the problem. A challenge has been thrown down and we must meet it. A famous English historian once said that the history of the world consisted of a series of challenges and responses by society. The challenge may come from nature or from historical circumstances. The response must always come from the social order prevailing at the time. We are called upon to take up this challenge and to meet it with a convincing response.

President. — I call Mr Osborn to speak on behalf of the European Conservative Group.

Mr Osborn. — Mr President, may I thank and congratulate Lord Bruce of Donington for the way in which he has conducted the hearing on the best means of preventing accidents to shipping and consequential marine and coastal pollution. This took place between 20 and 22 June in Paris and in my view was worthwhile, provided action results from it. The subsequent report is more revealing: it has endeavoured to highlight what is of importance to the Community and concentrate our minds on the issues which will have to be faced.

I think it is vital that the implications of this urgent debate are not only considered in conjunction with the report and the hearing. The Amoco Cadiz accident prompted many inquiries by environmentalists, those who represent shipping interests and other organizations at the time. It even prompted a parallel inquiry by the Council of Europe, and I for one hold the view that a joint inquiry by the European Parliament and the Council of Europe might well have carried more weight had there been adequate cooperation between the two bodies. On issues such as this I would ask the Commission and the Parliament to explore possibilities of closer cooperation with those who represent the interests of a wider Europe. After an accident at sea leading to the risk of crude-oil pollution, not only this Assembly but the French and British Parliaments and those of other EEC countries which have been vulnerable to accidents at sea have firstly pressed their Ministers about immediate action and secondly debated the long-term issues and what their governments should do to eliminate some of the hazards. But, as Lord Bruce pointed out in paragraph 12 of the explanatory statement,

a truism which became increasingly evident throughout the hearing is that shipping is by its very nature an international activity, though the consequence of accidents to shipping may very well be a matter of national concern.

National parliaments — and I hope this is not true of this Assembly — tend to forget these international implications so adequately stressed in this report, indeed they have been covered under the heading 'Inspection', where Lord Bruce quotes a case of a ship which went to sea after a recent certificate but which was unseaworthy. There is the question of the control of design specifications and the maintenance of standards, and this includes not only construction but adequate research. There is the argument as to whether or not there should be a maximum tanker size, and, as with aircraft, we must consider the consequences of having too many smaller tankers in the Channel if the maximum weight is too low.

There is the question of training and certification, including emergency training, and of course, already touched on, the dangers associated with flags of

convenience. What is the attitude of the national governments of the EEC countries to these flag-states — Liberia, Panama, Singapore, Somalia, Costa Rica, the Lebanon, all listed in the reports — which have neither the power nor the administrative machinery for enforcing national or international rules and have neither the power nor desire to keep a check on the shipping companies themselves? Lord Bruce prophesied that there would be more major disasters after the Amoco Cadiz; he referred to the Christos Bitas off the coast of Pembroke, which highlights the question of a port of refuge; this was raised once more in the 'Eleni V' incident in the spring of 1978. He also referred to the Bantry Bay explosion, which confirms the importance of adequate procedures for loading and unloading crude oil and other fuels; a year ago there was the case of the 'Argo Merchant', which led President Carter to call the international conference sponsored by IMCO, the intergovernmental Maritime Consultative Organization. My impression, when I have attended debates in the House of Commons, is that the British Government to too great an extent is charged with incompetence when the British coastline is affected, and I am certain this is the case in France and elsewhere: the causes are international, and I suspect therefore that the Commission must look more to indirect or concerted action and act as a catalyst in this international field.

What can the Community, as such, do to ensure that this problem is looked at as an international one? Section III of the explanatory statement — and this has been pointed out — mentions the international conventions SOLAS and MARPOL which must be endorsed and ratified by the countries concerned. There is the question whether port States in the Community can exercise their authority to a greater extent. But one million tonnes of oil a day are going through the Channel, and therefore the Community must effectively debar ships and tankers that neither have the discipline nor standards which are desirable.

When there have been disasters, whether on the West Coast, East Coast or South Coast, Conservative MPs obviously are distressed when there is pollution in their area, as any other MP would be, but the sources of the energy required for a high standard of living, whether oil, coal or nuclear, all present environmental hazards: these hazards must be equated with each other, and that is the price we have to pay for our high standard of living. But what can we do to reduce those hazards? In paragraphs 6 to 12 of the motion for a resolution, Lord Bruce has put forward some innovative and challenging concepts which the Conservative Group supports: refers particularly to ship traffic control and the 'black box'. Now what came out of this inquiry is that the approach to navigation at sea in this age of satellites and modern radar is by its very nature too primitive and out of date when

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compared with the equipment and procedures essential for air traffic control. Where the traffic is of a high density, then lane discipline, navigation by radar and penalties on owners of ships and captains and crews for non-compliance must be more precise. I came across this high density when, some 16 or 17 years ago, I took a sailing-boat across the Channel. This brings in the whole question of general navigation across the Channel. These control requirements and techniques very much depend on traffic density: is this not also true of shipping? It must surely be the task of the Community, in agreement with all European countries, to decide what should be done in European waters, and particularly the Channel, the straits of Dover and the North Sea. Lord Bruce in paragraph 28, on shipping lanes and routing, deals with the problems relating to the authority of the master and the owner in relation to a ship traffic control centre. There is a debate going on about this responsibility in the field of air-traffic control, as the Transport Committee will find out in Paris next month; but surely those who control the movement of ships have much to learn from those who determine the movement of aircraft, and this report and the hearing have indicated some of the problems and highlighted some of the solutions.

The motion for a resolution is supported by the Conservative Group. I see Mr Jenkins is here, and in what the Commission undertakes there is much harmonization for harmonization's sake, which I, too, think is utterly irrelevant, but here intervention by the Commission would be relevant. There is a void in this field which the Commission should now recognize exists; there is an opportunity for determined European action which would receive common approval. The Community and its port States, and the port States of Europe too, should work together. That is why I brought in the Council of Europe and the need for a wider view — and I hope, and I have every reason to believe, that the response of the Commission will be positive. Our national parliaments must force our national governments, and then indirectly the Council of Ministers, to give the Commission support in any action they take to provide a Community initiative in this international field. The days for talking are over: I look forward to seeing the Commission taking action and then supporting that action.

President. — I call Mr Veronesi to present the opinion of the Committee on the Environment, Public Health and Consumer Protection and to speak on behalf of the Communist and Allies Group.

Mr Veronesi, Draftsman of the Opinion. — (I) Ladies and gentlemen, I had the honour to draft this opinion and the pleasure to see my personal views endorsed by the Committee on the Environment, Public Health and Consumer Protection in its entirety. I shall therefore confine myself to a very few

comments, one of my reasons being that what is said in the report and has been added by the previous speakers in today's debate has helped to provide us with a full picture of all the problems which this subject involves.

I can do no less than express an extremely favourable opinion on the comprehensive report which has been submitted. Every aspect of all the problems raised by the transport of hydrocarbons and the pollution they cause when accidents occur at sea have been considered with scrupulous objectivity and a depth of attention which, in my view, deserve full recognition. The inquiry which we conducted into the facts proved to be the best method of comparing and contrasting the various factors inherent in the problems involved. I agree with Mr Osborn when he said that cooperation with the countries of the Council of Europe would perhaps have been and would still be advisable; nothing has been lost, for cooperation along those lines is still possible since the problem is not specific to Europe or the Community but is shared by a number of countries far beyond the Community.

For those reasons, I think we can say that we have moved promptly enough and with a satisfactory sense of responsibility. All of the speeches that have been made and all the documentation that has been produced show that substantially, the problems have been given due consideration, that they have been scrutinized and assessed and placed in their proper perspective. We must also recognize that agreements have been drawn up, that regulations have been issued and that rules of behaviour have been laid down which, if they were applied, would offer a very much greater guarantee than we actually have. We find ourselves faced with the usual contradiction between the analysis of the problems and the measures proposed on the one hand and the means of enforcement of the rules we have adopted on the other. It is true that there are also extraneous problems involved; it is difficult to control a storm in the Atlantic even if we try wherever possible to forecast it and to regulate shipping accordingly. We have introduced meteorological and climatological projects with this purpose in view; but alongside those extraneous factors, it is the unforeseen and unforeseeable accidents and all the other subjective factors involved which make the problem extremely difficult and therefore call for political action. Mention has been made of flags of convenience which I would describe as a modern form of piracy against the community: those concerned are playing with the destiny of mankind and with the future of the environment in which we live. Profit is the only thing that counts regardless of how it is made. There can be no doubt that a situation like this requires drastic measures and we must have the courage and the spirit of initiative required to create political conditions that will prevent the emergence of the subjective factors that cause accidents, in other words those which depend on our own resolve.

Veronesi

This is the basic problem which I believe must be stressed and on which action must be taken. The proposals made in the resolutions which have been tabled are eminently sound and reasonable: we must refine our technology but without turning it into a myth. Someone has suggested tankers of one million tonnes with a crew of nine: we must avoid any such wild schemes, this myth-making of future technology, but we must obviously not lose sight of possible technological improvements nor of training requirements and above all, we must strengthen our political will for action to ensure that all dangerous transport of this kind is made subject to the rules already in force and that those rules are respected and enforced. If we succeed in this first step and ensure compliance with existing rules and agreements, we shall have gone a long way towards greater security in the transport of dangerous cargoes by sea.

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, one of the witnesses before this hearing, which I attended, was a Mr Turquier who is a director of marine biology in Paris. He spoke about the danger of the death of the sea, and he did so in terms which one had to take seriously. And yet, one of the witnesses, Captain Dixon, of the Oil Companies International Marine Forum, treated this evidence in a rather debonair way and said there really was no evidence to support our fears about, for example, the danger to marine species from pollution. This was the nature of quite a bit of the evidence from our expert witnesses. Very serious points were raised, and too often, Mr President, we did not get answers to pertinent questions.

I would recommend to the House that they read the evidence of Mr Prescott, which was highly statistical and which I shall not take up the time of the House by going over. But it creates a formidably black picture of the flag-of-convenience countries. The fact is that the number of ships under such flags is on an enormous increase. In 1956 it was just 10 % of the world's tonnage; it is now 28 %. Liberia, one of the chief countries involved, has held only 20 inquiries into 150 cases of loss or collision, with no apparent attempt on their part to say that they will reform their ways. Many lives, as has been said, have been lost. If we take another starting statistic: 84 % of ships in Panama have been re-registered from Liberia. This shows that if a ship cannot get a certificate even under the apparently not very stringent conditions of one flag-of-convenience country, it seems to be able to go to an even less strict country and get registered there. It can then float around as a substandard hulk; and the sea is full of these substandard hulks which are a danger to the very environment which we have in trust for tomorrow. The sea has far too much such tonnage on it, and we should be looking to eliminate a great proportion of these ships.

The attitude of Lloyd's was also, I thought, extremely debonair. I made in one of my series of questions the point that the very name Lloyd's tends to create a confidence. When they said they were satisfied that there was identical enforcement as far as flags of convenience ships were concerned, their evidence did seem to be totally out of keeping with the formidable statistics put forward by Mr Prescott. It seemed to be the case with some of these witnesses that they would rather ignore unpleasant facts than deal with them. There seems little doubt that there are instances, if one could be cynical, of ships being sunk in certain cases because they are insured — with all the consequent and attendant risks to the coastal area.

A little nearer my home on the Moray Firth we have a trans-shipment project concerning a company which is associated with the very company involved in the Bantry Bay disaster. Yet this company is under scant scrutiny from the British Government. The certificate from its auditors in one year said: 'We believe this company to be registered in Switzerland' — even the auditors were not very sure. Yet the British Government had advanced funds to this company which is involved with substandard tankers, and is in this case endangering the fishing grounds of the rich Moray Firth and the lives of the community involved. Here is a typical example of our lack of will to deal with the risk of the death of the sea.

I asked a question in my evidence of the International Federation of Shipmasters as to what they did when they were satisfied one of their members was not obeying the correct standards. I could not get a satisfactory answer as to whether, as many other professional organizations do, they disbar the party from membership, or hold disciplinary proceedings: I did not feel satisfied with that organization. Lloyd's admitted that on many instances they take over the function of national administration within a country, and I asked a question of, I think, some seriousness, of Lloyd's: at what point, if the country did not seem to be behaving in regard to the substandard ships, did they stop acting as the administrator, and had they ever done so? As far as I understand, they have never done so.

Could I end, Mr President, by suggesting a number of practical solutions which I think are already touched on in the conclusions. I would like everyone concerned to look at the outdated law of salvage which was really made in the days of pirates on the high seas. Consider that tugs have to consult as to whether they will or will not do the job when the crisis has already happened — this is a ludicrous situation in our modern world, and we should be looking to ensure that in the Community there are adequate tugs available to protect any coastal area. This is not the case at the present time. I think this is a gap that could readily be closed.

Ewing

Mr Prescott suggested that port control and withdrawal of licences should be looked at. I should like to agree with that. Obviously, all EEC Member States should ratify all the ILO conventions. In June 1978 at this hearing only four of the Member States had done so. Many of the discharges at sea are not, of course, from accidents at all. They are simply the habit of dumping dirty oil on the high seas. The way to stop this is for all countries to require certification as to where the dirty oil was dumped before the ship can sail from a port. The American Government have required that all passenger ships, irrespective of flag, comply with certain measures when carrying American citizens. Could we not introduce a similar law for all the Member States?

One could go on indefinitely, it is a very big subject. I should like to congratulate Lord Bruce on the way he handled the chairing of this excellent public hearing. I would like to see more such public hearings in other fields and hope that we do find the will to save the sea.

President. — I call Lord Kennet.

Lord Kennet. — Mr President, like other Members who have spoken, I find this is a matter I have been trying to get my teeth into for many years or even decades now. I am a former chairman of the principal British body concerned with sea pollution — the Committee on Oil Pollution of the Sea — and like all other speakers in this debate I warmly commend the motion for a resolution which is before the House.

So much has been done, but still these appalling accidents happen two or three times every year. The motion commends the Bonn and Barcelona Agreements. But even better than these is The Hague Memorandum of March 1978, in which the Community countries, minus Italy and Luxembourg, but plus Norway and Sweden, got what is perhaps the most advanced port-State jurisdiction agreement in the world. This is a really binding agreement, which lays down that if any ship that was at fault in certain limited ways came into any of the ports of those countries it would be held and disciplined. We have to go beyond that though, because it only deals with the safety of life at sea.

In saying 'only', I am very conscious of what my friend, Mr John Prescott said only a few moments ago: this is of course the most important thing in the whole field. But there is also the question of pollution, and a pollution incident does not always overlap with an incident affecting life and safety at sea. For instance, the washing out of tanks, which can be quite intentional, endangers nobody's life and nobody's safety. What we need then is something based on rigid port-State jurisdiction which covers pollution as well. This could well be Community based to start with. It must go into the pollution and insurance side

as well. The United Kingdom Government has now gone even further than The Hague Memorandum. The Hague Memorandum is based on the enforcement of existing international conventions. The British Government has just announced that it is taking power to enforce, within its own jurisdiction, international conventions which have been agreed to, but which are not yet in force.

The importance of this can hardly be overemphasized. My friend, Lord Bruce, gave four and a half years as the average time for the coming into force of an international convention. Mr President, that is the average time. Nine years is by no means unknown. One cannot always wait. I would like to take this opportunity of suggesting that either the Commission or the Foreign Ministers meeting in political cooperation, whichever is appropriate, should get together to do all they can to carry the port-State jurisdiction principle into the text which will come out of the United Nations conference on the Law of the Sea. It could be done, but there is not much push behind it at the moment.

I turn now to the question of liability. At present liability for accidents and oil spills — pollution accidents — does not have to be full, and consequently insurance cover does not have to be total. It is still limited by the tonnage, not, as you might think, of the oil spilled, but the tonnage of the ship which spills it. Now this is absurd; it is like saying that in the case of a road accident, your third-party liability should be limited by the horse power of your car. If someone is killed by a car, he is just as dead whether it is a 500 cc car or a 3 litre car; and if a beach or fishery is polluted and put out of action for five years by a gross oil spill of action if those 10 000 tonnes came from a 10 000 tonne ship or a 200 000 tonne ship. We have to change that. The EEC — and, indeed, the insurance market is going to have to face up in time to the need to insure not only against all the medium and minor accidents which can happen, but against the major ones too. Is it not, by preference, the major accidents which have to be fully covered? The uncovered part of a major accident will often be a hundred times the fully-covered minor accident.

What I am saying here does not only apply to the spillage of oil at sea; it applies to many other things too, particularly nuclear power stations and, indeed, conventional power stations. In all these three cases, the taxpayer makes up the difference in paying for the damage for which the insurance market cannot be bothered to organize.

One last point: oil is not the only dangerous cargo; there are at this moment completely unpublicized cargoes on the seas consisting of lethal poisons, the spill of which would kill all life in many cubic kilometres of seawater for many months, and entirely oblit-

Lord Kennet

erate fisheries — quite apart from the human effect. There are also unpublicized cargoes of liquid natural gas, which is of enormous economic benefit, but which can be an explosive that should not be underestimated. In the worst possible circumstances, if there were an explosion of a cargo of liquid natural gas after a marine accident, it could, it has been calculated, be as bad as the explosion caused by a minor nuclear weapon. This gets no attention in the world; we concentrate entirely on oil and we are wrong so to concentrate.

This report is needed. The resolution will be a help. The Commission and the Council are on the right lines, but I fear that if we go at this speed, even though we are going in the right direction, the world stocks of oil will be exhausted before we have found out how to stop the disasters it causes as it is carried about the surface of the world.

President. — I call Mr Noè.

Mr Noè. — *(I)* Mr President, Members of the Commission, ladies and gentlemen, I should like first and foremost to thank Lord Bruce for his motion for a resolution but above all, for having reported to the House on the meetings which took place in Paris in the spring to discuss the problem of the Amoco Cadiz in particular and the more general problem of preventing tanker accidents. I am grateful to him, for after all, it cannot be said that the transport policy has generally given us, or is giving us, much satisfaction. But the analysis we made of the problem was productive, for during those three days the real problems were laid bare and I believe that in this matter, Parliament is making the fullest contribution it possibly can. I say this because a number of governments have since taken action. I was gratified to hear on television and radio and to read in the press that some of the measures recommended in Paris are about to be taken. Essentially — and I shall be extremely brief, Mr President, for the subject has already been discussed at length — there were four main problems. The first was the problem of the shipping lanes used by tankers which, to my mind, is the fundamental issue: I refer to the move away from complete freedom of the seas towards the introduction of rules in congested areas such as the English Channel, the straits of Malacca and others.

We had to contend with opposition: there were some who wished at all costs to retain freedom of the seas but at the end of the day, it was accepted that in certain specific circumstances, those sea lanes should be subject to some form of discipline. At bottom, it is one of those problems which crop up with increasing frequency in our society the closer we move towards some degree of saturation. Whenever a problem of saturation occurs, absolute freedom is no longer possible and a certain degree of planning is required. I

was therefore glad to learn quite recently that the French and the British Governments have agreed to install surveillance radar units along the Channel coast to ensure that tankers keep to certain sea lanes, leaving others free for ships carrying liquids or other dangerous cargoes. A little order is therefore being introduced as was done in the air transport sector in which aircraft are not allowed to fly as they please but must follow fixed routes. This, I would say, is the first and most important result of all.

The second problem which Lord Bruce discussed in detail in his introduction has to do with the standard of equipment on board ships which, as he said, occasionally leaves something to be desired. I would point out in this connection that even large tankers often have only one rudder and a single propeller. This is an extremely serious matter: to realize this we need only consider that when, as in the case of the Amoco Cadiz, the rudder breaks down, the ship goes out of control. I did not know this myself until I learned that warships are always fitted with two propellers or two propulsion units. This kind of problem, too, must therefore be carefully considered.

Thirdly, there is the problem of intervention. In the past, when a ship ran into trouble, too long a period elapsed before action was taken. But here too, we are now on the right road: there is no longer as much need to talk with tug and ship owners to ascertain when and in what circumstances they will take action: intervention will be more direct.

Finally, there is the problem referred to by Mr Fuchs of the facilities required to combat sea pollution in the event of an accident. We must undoubtedly look into this matter too, but it is an argument with which I have little sympathy. Instead of rushing in with remedies we should rather do our utmost to prevent the recurrence of disasters.

Mr President, I am grateful to Lord Bruce for having prompted a fairly wide-ranging debate on this subject, but the crucial point is this: it is not enough to discuss the subject for half a day. In Paris we spent three days on it and this is why we were able to deal with the problem in depth. We shall repeat the procedure in March when we look at the problem of air traffic control which is also a problem of transport. I hope that in those three days we shall be able to clear up a number of issues which we can then discuss in this House. In this way, the transport policy, which has often been confined to marginal questions such as the bearing weight of truck axles — all of which are necessary things, I do not deny it, but are hardly likely to raise much enthusiasm — may perhaps impress itself on European public opinion as a more interesting subject.

It is my hope that the directly elected Parliament — for problems such as those require long and patient effort — will be able to arrange hearings to deal with

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the problems raised by the major European infrastructure projects such as the Channel tunnel, now being discussed once more, the Alpine tunnel or other infrastructure facilities that may benefit our Community. This is something we have called for on so many occasions but have unfortunately not succeeded in taking any further. Hearings of this kind if conducted in sufficient depth could be productive. I therefore believe that we have done a useful job of work: I hope that in March we shall be able to do something similar for air traffic control and that in this way, the transport policy will bring us greater satisfaction than it has in the past.

President. — I call Mr Spicer.

Mr Spicer. — Mr President, it is not very often that we in this House find that we agree completely on a subject, whatever it may be, but I think we can all support Lord Bruce's and his committee's endeavours in this respect. Because we all have to live with the day to day frustrations and the problems that arise from oil pollution. There are occasions when Lord Bruce — I hope he will agree with me — can be fairly short-tempered, and I wonder how he, or anyone else, can live with this problem without feeling: why on earth doesn't someone get to grips with it? This problem is not going to go away. You look back over the history of tanker problems and tanker spillages, and it reads rather like a list of dishonours we could well do without. We start off in 1967 with the Torrey Canyon; 1970, Pacific Glory; 1976, Argo Merchant; 1978 Amoco Cadiz, Eleni V, Christos Bitas, Bantry Bay explosion 1979. One by one as these things happen, we all agree that something must be done, and must be done quickly. Yet we all go on looking at conventions and saying that we must observe these conventions, but it doesn't really happen. I add to those great disasters the problems Mr Prescott spoke of: loss of life at sea, massive oil spillages. But there is also the quite deliberate day-by-day polluting of the coastlines of the Community by the cowboy operators who don't give a damn for the people who live on the coasts of our Community. And the cost of those things, insignificant though it may be in relation to a big disaster like the Christos Bitas or Amoco Cadiz, is not insignificant, particularly to those engaged in the holiday trade and people who wish to enjoy a clean and unpolluted coastline.

We have major problems here. The Council of Ministers proposed after Amoco Cadiz a great mass of provisions that we should all observe. If I could just start with the headings of these various agreements: SOLAS, International Convention for Safety of Life at Sea, 1974; MARPOL, International Convention for the Prevention of Pollution by Ships, 1973 amended 1978; ILO Convention No 147, minimum standards for merchant shipping, International Labour Confer-

ence 1976; Bonn Agreement on Cooperation in the North Sea on oil pollution, June 1969, Protocol Barcelona Convention for the protection of the Mediterranean Sea against pollution, 16 February 1976.

This is a maze of conventions and resolutions and good intentions. Why on earth cannot we, as a Community, make a fresh start, cut through all this and go straight to the heart of the matter? The Council of that time after the Amoco Cadiz also made some positive suggestions as I understand it to the Commission, and said would they take action along the following lines: first of all, harmonization of laws on ship inspection; a common position by member states of IMCO on making compulsory regulations on checking ships and their discharges; a twelve-mile territorial waters limit; a Community action programme on controls of spillage at sea, under certain headings: emergency computerized action, data record of all risks, Member States defences coordination, aid to developing clean-up vessels, common salvage initiative, insurance law changes where necessary, research into methods and effective pollution combatants, and, lastly, a pollution think-tank. Additionally, it was said that these areas should be extended to the prospective Member States of the Community. And all IMCO resolutions were to be made mandatory.

I hope the Commission will be able to tell us what progress we have made in following those thoughts from the Council, but Lord Bruce's report states under paragraph:

Unfortunately, however, the Council of Ministers has not lived up to the positive approach of the European Council in Copenhagen in April 1978.

I hope the same is not true of the Commission and that when the Commissioner replies he will be able to give us some indication of the action that has been taken. As far as I can see, there has only been a limited agreement on certain measures for minimum conditions for tankers, information on those that are deficient or likely risks. Information is one thing; but what the devil do we do when we have got the information? Do we ban those ships immediately or not? Then, to my mind the most ludicrous one of all: qualification and certification of pilots in the North Sea and the English Channel; but this can only be enforced on ships with members' own flags, so we might just as well not bother with that because, as we have already heard from other speakers, a large number of these ships travel under a flag of convenience and we have no control over them at all.

Lord Kennet made the point — I think quite rightly — that we have ready to hand a memorandum of understanding between maritime authorities on maintenance standards. That has been signed by Belgium, Denmark, France, Germany, the Netherlands,

Spicer

Norway, Sweden and the United Kingdom. Are we behind that? Could we not use that as our basic starting point and all of us pitch in and make that really work? And could we not consider extending the provisions of that maritime enforcement act to certain other areas?

Secondly, port-State control procedures to be rigorously enforced: I would add to that the business of load on top. One comes back to this time and time again, particularly in terms of the sort of pollution that has a minimum effect in polluting the sea but has a maximum irritant and destructive effect on our beautiful coastlines.

Shipping lanes and control: arrangements should be similar to those for air-traffic control, related to particular problems and Community funded; there should be tolls if necessary and we should have twelve-mile territorial waters whenever possible for oil tankers, particularly in the Channel.

Then the black box: if we can insist on a black box in aircraft, why on earth cannot we have a black box on board an oil tanker so that we know exactly what happens when there is a major disaster? The emergency system on the tanker should be known to crews; there should be a notification obligation on the master of the ship, immediate action on salvage, repair or destruction by the master and owners with appropriate changes in insurance law if necessary.

I know how difficult these things must be, but it really is the most frustrating thing for those of us in this House, particularly those of us who live in the area most at risk. As my colleague Mr Osborn said, one million tonnes of oil a day go up the Channel. I happen to live in an area which borders the Channel, as does my constituency. We are constantly at risk, as our neighbours in Brittany are. As far as we are concerned, and as far as everyone in this House is concerned, we want to see some positive results. There could not really be a better time. We now have a surplus of tanker tonnage, so if we are going to be ruthless, if we are going to cut out those people who are substandard, now is the time to do it. If we cannot do it now, I believe it will be many years before we really take the action that is necessary.

President. — I call Mr Brugha.

Mr Brugha. — Mr President, I should like to begin by thanking Lord Bruce for presenting us today with this detailed report on the best means of preventing accidents to shipping and consequent marine and coastal pollution, and on the necessary and related shipping regulations. The responsibility rests on our shoulders today to draw as much attention as possible to the of shipping accidents. It is by no means untimely, Mr President, that we should consider for debate, following the Bantry Bay disaster in my own country that all too recently hit the headlines of our press throughout the Community, the issue of the

prevention of maritime accidents. I would like to take the opportunity of expressing once again our deepest sympathy to the relatives of those who died in the disaster in Bantry Bay. It is my fervent hope that the authorities who are responsible for safety at sea will learn from this terrible tragedy. My group has earlier expressed the view that prevention is better than cure, whether the prevention of accidents in the place of work, in factories or offices, or, as in the present case, at sea.

All too often, as Lord Bruce has pointed out, human fallibility is responsible for all but a minute percentage of navigational accidents. But it is too easy to blame the captain or his crew for some of the disasters that have occurred at sea over the last few years when in fact we should be looking more closely at those groups which are responsible for making the laws or for advising us on the correct procedures to be followed and those who have the duty of inspecting ships. If we fail to build a firm foundation, how can we ever be certain that what we build will survive?

How many disasters do we need? Over the past 12 months, four major shipping incidents have occurred. Lives have been lost. Pollution has devastated long stretches of coastline, not only destroying tourist amenities, but also obliging our governments to expend important resources and huge sums of money in efforts to clear away oil-slicks. Time and again, when we read about maritime accidents we see that many of the ships were sailing under flags of convenience. This subject has been mentioned by a number of speakers, Mr President. I think that we should first of all put our own house in order. We should insist in future that any ship that comes from one of the nine EEC countries should be registered by the Community and, following that, introduce control over any ships from any part of the world visiting our ports in the Community.

This power lies in our hands: all we need is to introduce the proper mechanism. It is imperative that we devise a maritime code that will be strictly enforced — a code that will not only lay down exact shipping routes but procedures that may be followed near coasts or in harbours. An essential element of any maritime code must include effective training for every member of a ship's crew. In the Community we can set our standards high, but where we are dealing with shipping from third countries we must bring as much pressure to bear at international level to ensure the same standards. The most effective way of dealing with ships, not only from the Community but from third countries, in breach of safety regulations is port inspection and the power to detain ships. Penalties for ships found to be in contravention of Community or international legislation must be severe, and if we introduce and enforce that type of regulation we will at least ensure that some possible incidents in the future will not take place.

Brugha

In conclusion, Mr President, I would urge the Commission and the Council of Ministers to make maritime safety a priority. We have had to learn our lessons the hardest way of all, through some of the tragedies, that have been mentioned by speakers here, through the loss of crew members and Irish workers in Bantry Bay. We must ensure that measures are taken for the safety of those who have survived in some of these cases — measures that will ensure their safety, and their livelihoods, and the safety of others and will prevent similar disasters occurring anywhere else.

President. — I call Mr Giolitti.

Mr Giolitti, Member of the Commission. — (I) Mr President, on behalf of the Commission, I should like to add my own commendation and appreciation of the work done by Lord Bruce; this appreciation also goes to the Committee as a whole and to this Parliament for the substantial contribution you have made to the solution of the problem of maritime security and the prevention of marine pollution.

The report we have discussed today and the hearing held last June in Paris have provided the Commission with a detailed analysis of the problem, enabling us to draw a large number of conclusions and to single out one or two major lines of approach that can be further developed in the future.

The Community has quite plainly an important part to play in the field of maritime security and the prevention of marine pollution.

The Commission considers that the Community must work in close contact — and never at cross purposes — with IMCO, especially in the matter of inspection to which Lord Bruce rightly drew particular attention. The necessary guidelines for action have been set out most clearly in the Committee's report and particularly in the motion for a resolution. I should like to stress a few points which I find essential. In the first place, the Community can play a decisive part to ensure that IMCO agreements come into force by calling on the Member States to ratify them as soon as possible. Secondly, we can work at Community level for the effective and practical enforcement of those agreements by the Member States, once they come into force. Furthermore, the Community can work within IMCO to achieve common objectives in the matter of maritime security and the prevention of marine pollution.

Mr Prescott drew attention to the pollution caused by ships flying flags of convenience. Experience has unfortunately shown that substandard ships do not all fly flags of convenience but this does not mean that we should pay no heed to the cases to which Mr Prescott referred.

Finally, the Community can take independent action at regional level in those sectors in which IMCO is not yet active but which are of special concern to the Community.

The steps already taken by the Council since the Amoco Cadiz disaster and the guidelines for future action set out in the Committee's report offer a good example of what can be done in practice. We need only recall, Mr President, that the Council has already adopted two separate recommendations calling on the Member States to ratify by a given date a large number of IMCO agreements relating to maritime security and the prevention of pollution. Furthermore, as regards the effective implementation of those agreements after they come into force, the Commission has submitted a draft decision to the Council under which the Member States should regard as mandatory the provisions contained in the two IMCO recommendations addressed to those countries which possess ports of call.

Coming to local measures in Community waters, the Council has adopted a number of directives on the rules of entry for certain tankers which call at or sail from Community ports and also on deep-water pilot assistance for ships sailing in the North Sea or in the English Channel.

Of course, as Mr Fuchs pointed out, the Council could do more but you will see from the brief remarks I have just made that the Council has made a considerable effort and has already provided a substantial contribution. Following the adoption of the last directive I mentioned, the Community is now about to take action in conjunction with IMCO to encourage ships of every nationality to employ highly qualified deepwater pilots whenever they intend to avail themselves of pilot services in the North Sea and the English Channel.

I should like to add a few words, Mr President, on the future activities of the Commission in what, like Parliament, we regard as a highly important sector.

The Commission intends to submit by the end of June a proposal for the harmonization at Community level of the methods applied by the Member States to control port activities. We have the impression that the effort made by the Member States to supervise compliance with the agreements by foreign vessels varies considerably from one port to another and, generally speaking, does not yet constitute an effective deterrent against the entry of sub-standard ships into our ports. We shall therefore be drawing up proposals designed to harmonize to the fullest possible extent the methods and procedures applied at the present time, the intention being to create a situation in which substandard ships will be prevented from entering Community ports.

Giolitti

Furthermore, the Commission intends to intervene in other sectors in which Community action seems advisable. For example we propose to look into the rules governing marine insurance to see whether they are sufficiently strict to discourage the use of substandard ships. We also propose to look into the question of whether present agreements on rescue operations are sufficiently wide in scope to permit the use of high-powered tugs in cases where large vessels are shipwrecked in our waters. Finally we shall have to give serious consideration — consistent, I must add, with the number of officials, excellent but too few, we have at our disposal — to the entire range of proposals for action outlined in the parliamentary report, ranging from the introduction of a 'black box' for control purposes to the creation of ports of refuge and the drafting of legislation on rescue operations at sea.

I shall conclude, Mr President, by providing the House with the widest assurances that the Commission intends to step up its efforts in the field of maritime security and the prevention of pollution. I again thank Lord Bruce for his excellent report and would appeal to Parliament to continue to support the Commission's work in this highly important sector.

President. — I note that there are no further requests to speak. The motion for a resolution, as it stands, will be put to the vote tomorrow during voting time.

The debate is closed.

12. *Opinion polls on direct elections*

President. — The next item is the oral question with debate (Doc. 598/78) by Mr Pintat, on behalf of the Liberal and Democratic Group, to the Commission:

Subject: Opinion polls on direct elections

The results were recently published of an opinion poll sponsored by the Commission on the voting intentions of the citizens of the nine Member States in the first direct elections.

The Commission is perfectly entitled to conduct polls for its own use. Does it not consider, however, that it ought to forward to the European Parliament, before any publication, the results of all polls concerning it?

Is there not, at European level, a general problem as regards the regulation of polls on voting intentions, considering that the publication of their results is liable to influence future European voters one way or another?

Could the Commission indicate how the poll was conducted?

I call Mr Pintat.

Mr Pintat. — (F) Mr President, I want to make it quite clear that the debate which I am now opening on behalf of the Liberal and Democratic Group is of vital importance.

Since elections are the moment of truth for democracy how can we treat a subject such as this lightly?

How can we overlook it when it is judged to be crucial by the Member States? To do so would be to diminish the value of elections to the European Parliament.

Opinion polls are extremely interesting and sometimes give remarkably accurate results when the questions put are simple without complex connotations. In an area which is so complicated and so little known to the general public as that dealt with in the 'Eurobarometers' the conclusions which are drawn can only give general indications and elements for further study which must be treated with great caution. They certainly cannot point to future election results. Such a forecast would be extremely imprudent seven months short of the actual elections when the range of political choices presented to the persons questioned referred primarily to the alignment of the political groups in the European Parliament which are obviously not known to the same extent in all the Member States.

Against that background I want to make a number of observations. The part of the opinion survey which dealt with voting intentions was inopportune in that it was conducted under the aegis of a European institution which quite obviously has certain political responsibilities — even if they are not given the same weight by every current of political opinion in every country. No public body in our countries conducts official polls of this kind; or if it does the information gathered is not made public. Once the mistake was made it would at the very least have been proper for the results of this poll not to have been made public. But it would seem that the instigators of this survey considered that the political picture which they had obtained was by far the most appetizing part of their opinion poll and were only too eager to allow leaks to the press.

No doubt my protest will have encouraged greater thought on the desirability of publication which — if not formally prohibited — was at least limited, but then only after the event (I heard the results on the radio). It would have been preferable to give thought to this matter in advance.

This is particularly true as careful examination of the figures quoted clearly showed caution to be necessary. The figures had already been overtaken by the Belgian elections; in France the heated debate which has been in progress for some time on the methods of certain opinion poll institutes coupled with a bitter and confused discussion of European problems in general, should make us particularly careful in our assessment of all aspects of this highly sensitive subject. Quite apart from the poll on voting intentions, a number of similar questions on other aspects of the European Parliament had elicited widely varying replies depending on the institute which put the questions.

Pintat

All this seems to reflect a lack of control on the part of an institution which, I repeat, exercises political responsibilities. The information contained in the Eurobarometers is no doubt of real interest; however, one is left with the impression of a somewhat rusty machine which has been going round in circles for many years dealing with the same questionnaires and the same range of interpretations. Continuity in this area clearly has certain advantages but there is reason to review from time to time the underlying objectives of these surveys to find out exactly what purpose they serve and verify the qualifications of the persons conducting them and the validity of the methods used. The Commission would not seem to have given sufficient attention to this aspect; it is a pity that a political error should have been necessary before the problem was at last considered in its true light.

Mr President, this brings me to the heart of our debate — and to a point which I should like the members of this Assembly to note carefully. I stressed just now at the beginning of my speech that every election is a manifestation of democracy. Consequently, everything which touches on it deserves to be treated with the utmost caution; that is why in some countries opinion polls are covered by very stringent regulations because it is well known that they may distort the results of an election and modify the behaviour of the electors. In France the legislation on this matter is most specific: the law of 19 July 1977, for which I voted in my capacity as a French parliamentarian, sets out a whole range of provisions on the content of opinion polls: it requires information to be provided on the identity of the body which conducted the poll, i.e. the financial sponsor; the number of persons interviewed; their qualifications and the date and place at which the interviews were conducted.

The institute responsible for the poll must also provide a committee with certain information on the purpose, method and conditions of the survey and the number of persons interviewed (in this particular instance, incidentally, the number seems far too small). The French law provides for the formation of an opinion poll committee responsible for studying and proposing rules to ensure the objectivity and quality of polls published under conditions defined in the law. Finally the publication, distribution and commentary on opinion polls are prohibited in the week preceding the election and during the actual conduct of the election. I would add that penal sanctions are stipulated in the event of failure to comply with the provisions; these sanctions apply both to the agency which conducted the poll and to the persons who allowed it to be improperly published. These rules obviously apply to France but I would stress that they also govern the election — and I quote the text of the French law — of members of the Assembly of

the European Communities: '.... the publication and distribution of opinion polls relating to the election of parliamentary representatives to the Assembly of the European Communities.' Consequently, an inquiry might be requested in France to ascertain whether this poll was conducted under proper conditions.

On a constructive note, Mr President, I want formally to ask the European Commission to present a proposal for a code of conduct in respect of the organization of opinion polls on direct elections — in the case both of the June 1979 elections and of subsequent polls. Detailed regulations on the lines of those which already exist in certain Member States should be drawn up without delay to avoid the recurrence of incidents of the kind we are discussing today. In particular, we consider that a control committee should be set up — on the lines I have just referred to — in the context of cooperation between the European Parliament and the Commission; a committee of that kind seems to be generally desired and would have the task of supervising the proper application of a code of conduct.

Mr President, I have made a number of background observations related to my question. I would repeat that we are not concerned with a mere question of susceptibility depending on whether Parliament was or was not informed of certain opinion poll results; in this instance the journalists have fully discharged their duty of information and control, but we as members of the European Parliament, must also do our duty and see to it that such mistakes are not repeated. The matter will not be closed this evening. We shall have occasion to return to it in order to define rules of conduct which will serve the cause of democracy and not caricature it.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I followed with close attention both the question which Mr Pintat put down and the way in which he introduced it. I can assure him that I agree that in this delicate period of the run up to direct elections — or indeed perhaps in any period — these are important and sensitive matters which we certainly do not take lightly.

Let me perhaps begin by giving a very brief history of the Eurobarometer. The House has indeed long been in favour of Commission studies on public opinion as a means of improving our knowledge of the views of Community citizens on various issues. Indeed in its report on the information programme for 1974-1975 Parliament stated its view and wish that, I quote,

The Commission should improve the effectiveness of its information policy by making greater use of public surveys and analysing the findings.

Jenkins

The Eurobarometer was developed in response to Parliament's requests over a number of years for a more regular and systematic use of public opinion surveys as an instrument to assist policy formation. Therefore let us be clear that we have moved in accordance with Parliament's wishes in conducting general surveys of this sort. This is of course wider than the issue of this particular question at this particular time. I will come to that in a moment. But I do not think there is any doubt that there is value in such surveys, and I would be very surprised indeed if it were the wish of Parliament that the surveys generally — I am not now talking about a question relating to voting intentions between parties — should not continue. The practice of the Commission has always been to forward to Parliament a copy of the Eurobarometer before its publication. That has been our regular and consistent practice.

There have been nine issues of the Eurobarometer since the spring of 1974 and they were sent to Parliament before presentation to the press. That included Eurobarometer 9 which was published in July of 1978 and which did contain a question about voting intentions on a party basis. No objection was raised in Parliament or elsewhere at that stage. In the case of Eurobarometer 10, the question was again asked with a larger sample and in this case, however, as the honourable Member correctly said, some figures on voting intentions appeared in advance in the press. But these figures did not appear with the consent or the knowledge of the Commission. They were not published under the auspices of the Commission. Clearly, as the honourable Member indicates, there was a leak of this sensitive item. It is sometimes sensitive items which leak more than insensitive ones. I greatly regret it, and we will certainly endeavour to see if there is any procedural method we can use to find out how it occurred and to prevent it happening in the future. But I wish to assure the House that our practice is, and always has been, before formal publication — publication did not take place in this case though this appeared, I regret to say, in the press — to forward these documents to Parliament prior to publication, and that will remain the case.

Now on the second part of the honourable Member's question, there may be room for some scepticism as to how much public opinion polls really influence people's voting intentions or behaviour. Nevertheless I recognize that there is concern in this matter, and I can understand it. And therefore the Commission did not subsequently publish the survey. It doubted its value when it came to look at it, it was five months old, taken at a time when the elections were not in people's minds, and it did not think it right to put it out under its authority. It was obviously not possible to suppress the document because the document had already appeared in the press. But the Commission did not put its imprint upon it, because it is, in my

view and in the Commission's view, probably wrong for a public body like the Commission to conduct public opinion polls on matters relating to party political voting intentions in the run-up to direct elections.

Therefore in the point about the future, which the honourable Member has raised, I can tell him and the House quite firmly that the Commission does not propose to use the Eurobarometer or any other instrument for any further survey of party voting intentions between now and direct elections. As regards what the position should be after June, I do not think the question will be of much immediate interest for a little time to come, but there will be a longer-term future. What I would certainly undertake is that there is no question of this kind of Survey being conducted before June and we will certainly consult with the directly-elected Parliament, if it is thought desirable to conduct one at a later stage. I am not too sure whether it is desirable myself. I think it is highly desirable that we should ask questions about the state of public opinion on European issues, about how many people are likely to vote. But I do not, on reflection, think that it is desirable that a public body should conduct party political polls in this way, and therefore I would certainly not wish to urge that this should be done. But if it is done, if there were any question of doing it, the Commission would consult with Parliament, and we would not do it without drawing up a code along the lines which the honourable Member has mentioned. So that is the position.

I understand the sensitivity of the honourable Member, I greatly regret the leak, but, as I think the honourable Member knows, we live a fairly transparent life in most of the Community institutions, and it is just when one wishes something not to leak out that it does leak out. Therefore I can only apologize to him for that, and give him my indication of what is right for the future, which is that there should certainly be no such question asked between the fullest consultation with the Parliament, and I personally will need a good deal of persuading that it would be right even to ask it then.

President. — I call Mr Patijn to speak on behalf of the Socialist Group.

Mr Patijn. — (NL) Mr President, a Liberal might easily lull the Socialists into a false sense of security four months before the elections by suggesting that the Socialists will win 38 % of the votes. In other words it is an invention of the authors of this survey to suggest that the socialists will poll such an enormous vote on 7 to 10 June next. If we believed that, we could rest on our laurels — leaving all the other parties, including the Liberals, to catch up in the meantime. But it is not as easy as that. The Socialists will work on these elections and we shall not be misled by opinion polls. Our opponents at least might use the Eurobarometer for that purpose. That is my first remark.

Patijn

Mr Jenkins has rightly said that the rank and file of a political party will not be affected by opinion polls. I do not personally think that such polls affect the election results. I am convinced that if you really know the rank and file supporters of your party you will find that they vote for it just as they always have. Our supporters at least are more firmly attached to us than those of other parties. To my mind therefore a question such as this is superfluous. However, I do want to make a few observations.

Firstly, I want to say on behalf of my group we consider the principle of the Eurobarometer to be a good one. We have seen nine of them published before and this is the tenth. As Mr Jenkins pointed out, Eurobarometers are in themselves a good thing.

We support this initiative and greatly appreciate the work of Mr Rabier who has been conducting these surveys with great dedication for many years. A number of questions do, however, arise but I should have thought it better for them to be discussed in a different context rather than here. Political surveys are very important. I am aware that a number of questions are put in the context of the Eurobarometer which do not arise with other polls. They relate to the work of our institutions and of the European Community. The Commission has rightly assumed a certain responsibility for polls of this kind. But then the Commission must be bound by the same standards as others. I want to make one point to Mr Pintat. He is of course right that France has extensive legislation on these polls but perhaps he can tell us about the situation in other countries. In my country there is no legislation on this matter because there is evidently less need to regulate public opinion research. What is the background to the French legislation? Mr Pintat did not tell us. Was there any question of abuse or falsification in France and if so has the situation changed now? If so, why is the situation different in other countries? Are there no similar problems in other countries? These are the questions one is bound to ask when one finds that statutory provisions which exist in one country are not to be found in another. Of course the eight other countries may be quite wrong to have taken no similar action; one might also simply accept the situation as it is without enquiring any further. Clearly certain questions do arise because there are rules governing public opinion polls in the various countries. There are rules stipulating how the poll is to be conducted, how many persons are to be interviewed and how the results are to be processed and by whom. Are there any experts on this matter in the Commission or outside it, and what is the Commission's political responsibility for processing the results? Is the Commission itself ultimately responsible for processing the data?

All these points need discussing. I say that here and now to Mr Jenkins, but it may be useful to discuss these matters in the Political Affairs Committee of the

new Parliament when it is elected in three months time. A new group of members will be coming here who will know nothing about the Eurobarometer or the past history of all this but will still have to vote on an item in the 1980 budget. Perhaps it will be useful to discuss this in the Political Affairs Committee with Mr Jenkins and his colleague, Mr Rabier, in order to decide how to approach this problem.

Mr President, one final remark. We do not wish in any way to prevent the Commission from organizing Eurobarometers. On behalf of my group, however, I agree with Mr Jenkins that it would not be desirable for a survey of voting intentions to be conducted between now and 7 June. Such surveys are conducted often enough in the Member States. Lastly, Mr President, I really fail to understand why this item has been placed on our agenda in this way although I do find Mr Pintat's explanations better than his questions. We support the organization of Eurobarometers and we hope that it will be possible soon, perhaps in the early spring, to have a discussion with Mr Jenkins in the Political Affairs Committee in order to clarify the whole matter.

IN THE CHAIR : MR LÜCKER*Vice-President*

President. — I call Mr Jahn to speak on behalf of the Christian-Democratic Group (EPP).

Mr Jahn. — (D) Mr President, ladies and gentlemen, we Christian Democrats are supporters of the Eurobarometer. We consider it to be useful, and anyone who has had to deal with matters of this kind for a period of years will know where the limits of opinion pools lie. We consider too that the Commission has been well advised up to now with all the topics which it has put to the test of public opinion in the Member States, thus enabling it to draw many conclusions for its own work. There is no institution, be it an economic institution or a trade union in Germany, that does not from time to time question the public in order to ascertain the views of the world outside. My group thinks it rather a pity that the last poll did not include the question; would you actually vote if an election were held next Sunday? Perhaps that question would not even have been amiss in the last opinion poll but one. This is a legitimate question which will point to the turnout at the European election. It would enable the areas of support and disinclination to be determined after which practical action could be taken accordingly.

I agree with Mr Patijn that the question as to which party individual electors support should best be left to the national level. We conduct such a poll on a systematic and automatic basis every month in Germany regarding both parties and the government, and we then know how the barometer stands for the indi-

Jahn

vidual parties. That particular question is best omitted at European level since we do not have the same initial base in every country and we do not know whether the number of persons interviewed is always identical and what the exact wording of the question is.

In short, we are in favour of these Eurobarometers and we hope that they will be fully evaluated. We should keep in close touch them so that the main results can be notified to this Parliament or to its responsible committees for use in their further work. We are not petty-minded. We are able to give our support to the major areas which you have dealt with up to now with these polls.

I therefore repeat on behalf of my group that we support these polls. We are also sympathetic to Mr Pintat's point of view and consider our own information work to be essential. We therefore want these activities to be continued and shall be pleased to discuss this matter in more detail with you in future.

President. — I call Mr Cifarelli to speak on behalf of the Liberal and Democratic Group.

Mr Cifarelli. — *(I)* Mr President, the question has been explained by Mr Pintat and I shall not repeat what he said; I shall confine myself mainly to taking note of Mr Jenkins' statement — in the political part of his reply he signified his agreement with us. Mr Jenkins explained how this Eurobarometer had come about and assured us that no further polls would be conducted before the actual elections; he also said that Parliament would be consulted in advance if a further opinion poll were to be organized on this subject. I must say to Mr Jenkins that my group welcomed his remarks while at the same time wondering what it in fact means that the results will be notified to Parliament after an opinion poll has been conducted. If it means that the results of the poll will be debated in Parliament, we are obviously in agreement; but if it means that the result will not be made official and communicated to the press and public we do not agree: I am sure that so experienced a politician as Mr Jenkins must share our view that everything should be made public and known.

While endorsing the specific answer given by Mr Jenkins, I would like to make two further points since I do not share the facile optimism of Mr Patijn. Nobody — certainly not the Liberal and Democratic Group — believes that we should refrain from using the modern means of sounding out public opinion. But it is one thing to use those means and another to make use of them in a specific situation. Let us make a supposition: if we want to know what the consumers think of a product to be launched on the market the best way of finding out is to ask them. But we cannot ask a regiment before the attack whether it intends to obey the commander's orders — otherwise we shall be faced with a mutiny or desertion. There are some matters on which polls can reasonably be

conducted and others consequences are particularly important and delicate whose where caution is the order of the day. I want to show how important the consequences are in this case: we know that the number of persons questioned corresponded to 0.05 per thousand possible electors; this means that the percentage error which is generally 3 % in the case of the minor parties — parties other than the biggest — becomes catastrophic in this case and deprives the forecasts of all credibility.

I am a citizen who has never infringed the criminal law of my country, who takes part in active life on the basis of principles of common sense and who enjoys a good reputation in my home town and in the cities where I have lived — in the capital of Appulia to begin with and then in the capital of the Italian Republic — but I have never been consulted in an opinion poll. In the days of fascism I was against the fascists, but nobody come to ask my view and of course opinion polls were not known in those days. But in thirty years of democratic life I have never been consulted in an opinion poll. I find this disturbing because the friends whom I have asked about this have not been consulted either. If anyone in this chamber who has been questioned in an opinion poll were asked to raise his hand I doubt whether we should see a single hand rise. We do not object to these polls but we want light to be thrown on their organizers, the procedure followed and the degree of seriousness shown. In this connection I find the French legislation most opportune. I do not have sufficient information at present to outline the position of Italian jurisprudence and legislation. But I am sure that throughout the length and breadth of the Community the number of persons who really believe in opinion polls is strictly limited I hope I shall not be displeasing my Italian socialist colleagues — who do not seem to be in the House — if I say that as far as the Italian results are concerned these polls suggest a situation which not even the most fervent support of the socialist party could imagine to be a conceivable result for his party. It is simply a way of softening the blow that comes later. The party to which I belong in Italy — it is an old democratic party which has gradually increased its strength — had never been expecting the great favour with the electors which the polls predicted for it before the elections: but then — and we ourselves had no illusions on this score — later on the voting forecasts collapsed. The trick was to begin with extremely favourable forecasts and then to show a disastrous swing a few days before the actual election.

I am quite sure that a manoeuvre of this kind is not at all the intention of the Commission or of the officials who have been responsible for the Eurobarometer but I think that caution is called for in this matter. That is why I wanted to speak in this debate to throw a little light on what is to my mind a most important problem.

President. — I call Mr Galluzzi to speak on behalf of the Communist and Allies Group.

Mr Galluzzi. — *(I)* Mr President, I think that we in this Parliament all agree on the need for the Commission to take account of public opinion in its work and of public reaction to its activities and policies. We are convinced that the Commission's awareness of public opinion — arrived at, Mr Cifarelli, through the modern instrument of opinion polls — is important in the context of the elections next June.

We all — and the Commission above all — have an interest in the emergence from these elections (regardless of our views on the powers of the future Parliament) of a Parliament enjoying the greatest possible popular legitimization, in other words the votes of an overwhelming majority of the electorate in all the Member States. We therefore look favourably on and encourage anything that can help to promote the interest of the electors and the attention of public in the problems of Europe.

That, Mr Jenkins, is how I believe we should interpret Parliament's view — to which you also drew attention — that the most modern instruments should be used to seek on the one hand the backing or criticism of public opinion in respect of certain aspects or fundamental considerations of Community policy and on the other to arouse the public's interest through measures to propagate the idea and objectives of Europe and to emphasize the importance of European elections by direct universal suffrage.

The problem raised by several other speakers and on which I too want to lay emphasis — because it seems to require further examination, perhaps not in plenary sitting but rather in committee — is that of verifying the procedures used in these surveys and the degree of reliability reached in them, because if they are to serve to guide and assist the action of the Commission or of the Community's other institutions it is clearly essential to have reliable surveys.

In the case of the ninth Eurobarometer the Commission clearly went beyond the decisions of Parliament because Parliament had not asked the Commission to ascertain how the electors would vote on 10 June and what the final political colouring of the new assembly would be. The fact that the Commission has tried to find out in this way what the results of the elections might be was an institutional error because it is not within the institutional authority of the Commission to conduct surveys of this kind. Moreover, at a time when there is a wide-ranging debate and strong political tension over the forthcoming European elections, on the role and powers of the future Parliament, it was a mistake to conduct a poll which might encourage or discourage certain trends of opinion.

President Jenkins has said that the publication of this data was due to a leak and cannot be attributed to the Commission itself. But I believe that the mere fact that a leak occurred involves responsibilities which must be given serious consideration.

Mr Jenkins said that this is an extremely delicate matter — thus implicitly confirming the validity of the question and of what we are saying. Mr Jenkins also said on behalf of the Commission that no further polls of this kind would be conducted before the elections of 10 June. I note that promise with satisfaction as a recognition of an error which must be corrected. I hope that we shall continue on these lines until the consultation of 10 June.

President. — I call Mr Forni.

Mr Forni. — *(F)* Mr President, following this debate I have the impression that an end of term atmosphere prevails in this chamber and that we are trying to fill out our agenda with a number of debates that have been held on innumerable other occasions both here and in the national parliaments.

I just want to make three brief remarks because, whether we like it or not, opinion polls are fashionable; they are an extraordinarily important instrument for manipulating public opinion and also an instrument which is widely used by the political parties, national parliaments and governments. Opinion polls have become a standard practice and we find constant references to them in the press and on radio and television broadcasts.

Firstly, I do not agree with the Commission President that opinion polls can be treated as a medium of information. I think rather that they are an instrument of manipulation. They cannot replace information on direct elections which should have been provided for a long time already in all the Member States.

My second remark concerns the time at which this debate has been opened. What is the point of a discussion like this in February 1979 only a few months away from the elections when a number of countries have adopted restrictive legislation in the matter of publication of opinion poll results so that these countries, by applying their existing legislation, will be protected against any possible manipulations remote-controlled by the Commission?

No legislation can come out of a debate like this. The European Parliament in any case has no power to legislate and can do no more than propose lines of action to the national governments which must then draw their own conclusions, referring also to examples of existing legislation in this area in France or other countries.

My third remark concerns the forwarding of the results of these polls to the European Parliament, a problem to which Mr Pintat referred. Has he stopped to think about the desirability of such forwarding? If he sees that procedure as a way of covering up the results I am sure he is mistaken. If the results of an opinion poll are forwarded by the Commission to Parliament they will gain a very wide public hearing which again seems to open the door to all kinds of possible manipulations.

Galluzzi

Basically I agree with a number of remarks made by Mr Pintat but I feel that if we want a code of conduct or a code of ethics to be adopted by a number of countries, to suppose that this could be done in time for the June elections is no more than a pious hope on the part of a Parliament which has come to the end of its period of office and is trying to fill in time.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, perhaps I could be permitted to begin by saying to Mr Forni that when he said he wished to disagree with me over what I had said about using public opinion polls in order to make our information policy more effective, it is not me that he is disagreeing with, it is Parliament — though that is perfectly legitimate — because that point was a quotation from the resolution of Parliament in 1974 which was the basis upon which the Eurobarometer was instituted. May I also deal with his last point, which implied — and this was raised by other honourable Members, notably Mr Cifarelli — that there may be a number of countries which have legislation. Our firm understanding is that there is only legislation in France affecting this matter. It is also our view that there was no question of this poll infringing French law. French law merely said that any publication should be communicated to the national parliaments before the publication itself took place, and the problem was not one of the infringement of French law, which we would naturally have been very careful to see was observed.

However, what I think is the case as a result of this brief debate is that there is a very wide agreement of view — almost unanimity of view — across the Chamber on a number of points. First, that the Eurobarometer is a useful instrument which should continue to be used, and used fully, in the future. I would like to pay tribute to Mr Rabier, who has run this, I think since its institution, and who I believe does it by the highest professional standards. There is always room for a little scepticism about all methods of testing public opinion, and this is well known and well understood by those who use the instruments themselves, but nonetheless a very high level of expertise can be attained. The results are never infallible, but they can, within certain limitations, be a useful guide. Even though Mr Cifarelli in a long political life and I am in the same position myself has never been asked to participate in one, that does not mean, as I think the House will agree, that they do not exist and are merely figments of the imagination. Let me say also that there is unanimity that this question should not be asked again between now and direct elections. There is, I think, some difference of view as to whether it might be asked in the future in the course of the next Parliament. But here again we come to a point of unanimity, where we are all agreed that it

should not be asked in the future merely by a unilateral decision of the Commission, without consultation and discussion with the relevant committee of the Parliament. Therefore we have a very wide measure of agreement here.

Mr Galluzzi very naturally confused — the fault was no doubt mine — Barometer 10, which contained the one question complained of, with Eurobarometer 9, which was published last July and contained a similar question, and no objection at all was taken to that by anyone in Parliament or anyone else as far as I know. Therefore I must make it clear that Parliament could have raised its voice then, but the issue was not sensitive then. But no blame attaches to Mr Rabier and those who work with him for the question being asked. The responsibility for that must be mine, and I accept it fully, though with hindsight I think it was not desirable to ask it so close to the elections. Perhaps it would not have mattered if the answer had been published last September or early October when it was taken, but by the time it came to the date for publication I think we were certainly too close to the elections, and there will be no question of this question being asked again.

Therefore I think the debate has served a useful purpose, that we are agreed on the main issues, and after the elections we can discuss what should be done for the future and indeed how still better use can be made of this basically valuable instrument of the Eurobarometer.

President. — I call Mr Pintat.

Mr Pintat — (F) Mr President, may I first thank Mr Jenkins for his statement which happily puts an end to our discussion today and gives us the assurances we were seeking for the future. I personally wish to assure him that I have never questioned the utility of the Eurobarometer polls, at least in areas other than that of elections. The controversy arose over the publication of voting intention in Eurobarometer No 10. The Commission has stated that the European Parliament has long shown an interest in these surveys. It is perfectly true that the information working party chaired by Mr Fellermaier had held a lengthy discussion of the desirability of holding opinion polls in the context of preparations for the European elections and had recommended the organization of such polls through participation in the Eurobarometers. On 27 May 1977 the Bureau of Parliament took a decision of principle confirming this view, but the Committee on Budgets delivered a negative opinion on the release of the appropriations needed for the polls. The question was dealt with again by the Bureau in May 1978 and elicited certain reservations as a result of which the consultative committee on information withdrew these polls from the action programmes envisaged in the campaigns.

Pintat

This is the core of the problem : we played no part in the design and finalization of the questionnaires and we did not participate either in the processing and review of the results. We regret that this should have been the case and it goes a long way to explaining our difficulties. It is perhaps a pity that Parliament did not confirm its original intentions. It would then have been possible for us to see how these polls were prepared and to change their orientation. Of course this matter cannot be solved today. We shall have to discuss it again to lay down rules and a general code of conduct.

Once again I am grateful to Mr Jenkins for his statement which has closed this debate, at least until next June.

President. — The debate is closed.

I should like, on behalf of the House, to thank you, Mr Jenkins, for your willingness to meet with the request made by Mr Patijn and other Members by attending a meeting of the Political Affairs Committee of the directly elected Parliament to discuss this matter.

13. *Mr Adams and Hoffmann-La Roche*

President. — The next item is the oral question with debate (Doc. 612/78) by Mr Prescott, on behalf of the Socialist Group, to the Commission :

Subject : Mr Adams and Hoffman-La Roche

The recent judgement of the Swiss Federal Appeal Court that Mr Adams in giving information to the Commission and the Community about the illegal Community trade practices of the Swiss multinational company Hoffmann-La Roche — commits an act of espionage prejudicial to the EEC-Swiss 1972 Trade Agreement. Obligations under this agreement require each party to allow such information to be available and not subjected to criminal charges including espionage.

Will the Commission answer the following questions :

1. How many times has the 'Joint Committee' under the Trade Agreement been convened, when was the last meeting, who requested it and was the principles in the Adams case discussed ?
2. Who appointed Mr Adam's lawyers, what were the costs involved and is the Commission convinced that all legal courses have been exhausted including an application to the European Court of Human Rights ?
3. Is the Commission aware of the legal opinion that the judgement of the Swiss Courts is in conflict with Art. 113 of the Swiss Constitution concerning obligations arising from international agreements and was this part of Adam's defence submission ?
4. What assurances have the Commission received from the Swiss Government that should any other citizen provide similar information about illegal acts, they will not face charges of espionage ?
5. Does the Commission accept that the Swiss Government had the necessary power under Article 105 of 1934 Act to have intervened in this case and prevented a criminal prosecution if it had so wished ?

6. What period of notice is required from either contracting parties to the 1972 Trade Agreement between Switzerland and the EEC to terminate it and in view of this Swiss court's decision in the Adams case, does it consider this decision to make Swiss domestic law to be incompatible with the obligation in the Trade Agreement ?

I call Mr Prescott.

Mr Prescott. — Mr President, question from my group, referred to as *Adams v La Roche*, has been a matter of some controversy in the Community for the last six years. Basically the case is that Mr Adams, who was in the employment of La Roche, gave information and documents to the Commission, which proved that this multinational company, based in Switzerland, was conducting illegal practices and abusing its dominant position in regard to illegal royalty payment agreements within the Community.

Today, the European Court, to which this company appealed against the fine imposed by the Commission, confirmed this judgment. It reduced the fine somewhat, but it confirmed the guilt of the actions of the company La Roche. So we are having this debate with the clear interpretation of the European Court that the action of the Commission in fining this company for its illegal activities is upheld. Consequently, the giving of information by Mr Adams to the Commission was not in itself an illegal act from the point of view of the Community. That is why it is a matter of contention to my group, and indeed to this House, that Mr Adams was arrested some years ago : he was placed in gaol for four months and was eventually charged ; his wife committed suicide while he was in gaol and the authorities refused to allow him to attend the funeral. What an indication of the vindictiveness of the Swiss authorities.

This is further evidenced by the nature of charges brought against Mr Adams. He was accused under Swiss law of giving secret information thus committing a criminal act. But to compound the offence the Swiss authorities then proceeded against Mr Adams under Article 273 which said that the giving of such commercial information to the Commission was an act of espionage. Their various courts, in the appeal procedures over the years, have now confirmed the judgement, which is the issue of part of this case, that to give information about the illegal activities of operating in the Community and will be considered an act of espionage and the man concerned considered a spy. So it is now clear from all the court decisions that whatever the agreement between the Community and Switzerland, which is relevant to this debate, anyone giving information about a company registered in Switzerland under these circumstances will be considered a spy by the Swiss authorities. There are only two other States, I believe, who have such laws. One is South Africa, and the other is South

Prescott

Korea — and I think that speaks volumes in itself. It is the view of my group that the Swiss authorities have been somewhat vindictive, to say the least. They could have allowed just the prosecution for a criminal offence, which would still be controversial to those interested in the Community, under Article 162; but they prosecuted for an act of espionage. This information about the company's commercial practices was considered a threat to the security of Switzerland.

Perhaps I am a little cynical: the other advantage which doubling the charges gave to the Swiss authorities was that they were then allowed to hold a closed trial, so the charges that were brought by Switzerland, in the name, almost, of Hoffmann-La Roche were not subject to public examination in public court but to the secret kind of trials which are associated with activities considered to be a threat to the security of the State. It is the view of some of us that this action itself is in breach of the Human Rights Convention to which Switzerland is a party. Each person is entitled to a fair trial and a public hearing. Perhaps a public hearing would have revealed the vindictive attitude of the authorities in this particular case.

Now I appreciate that the Commission feels it cannot pass comment on the internal affairs of a non-Community country. One understands the argument, but the Commission has taken action, which I and Parliament applaud, in providing the legal defence for Mr Adams to the tune of over UKL 30 000, or approximately 60 000 units of account. Clearly, to defend an alleged spy in Switzerland with Community money is an act of some internal interference, almost an act of judgment in itself, though one which I support, and so does my group.

However, on the question of the responsibility of the Commission, the trade agreement at present in existence between Switzerland and the Community, first arrived at in 1972 does make it clear that illegal acts by companies registered in Switzerland that operate in the Community are still subject to control within the Community. For example, it is an obligation to provide information to see that the obligations in that international agreement are observed. Article 23 makes it clear that no company must abuse its dominant position within the Community. The European Court has confirmed that position of the Commission, and to abuse it is incompatible with the proper functioning of this trade agreement. Article 22 says that all parties to this agreement must refrain from such actions. However, if one contracting party feels that others have failed to fulfil that obligation, it is possible under Article 27 to convene the Joint Committee to question this particular practice. Now, Article 21 of this trade agreement between ourselves and Switzerland makes it clear that in fact both parties can take measures if they wish to prevent disclosure of information if it is considered to be an essential security matter.

If then the issue before us is that Switzerland feels that to give information about illegal royalty payments and the abuse of a dominant position in the Community market is an act of espionage against the State, clearly there is a fundamental divergence between our interpretation of this agreement and that of the Swiss authorities. I would have thought the Community should call for consideration of this matter in the light of the joint agreement.

Time does not allow me, to pursue many other aspects of this. But there is something I want to make clear to the Commission. I am advised that this Joint Committee meets twice a year. It has met twice a year since then — the last time was in December — and the Adams case and its implications have not been discussed. I think that is deplorable, quite frankly, and I would demand that a meeting should be convened in order to find out exactly what is the proper information that should be provided within the Community. Commissioner Vouel made that very point in Question Time this afternoon. So what we fear in the group is that Switzerland, which has a reputation for being on the side of good when nations are at war, with the wonderful work of the Red Cross, is putting itself into the position of being a flag of convenience for multinational companies. We feel this questions the very basis of the agreement between Switzerland and the Community and should be sincerely examined.

Mr Commissioner, I hope in your reply you can give us information that this meeting will be convened to discuss the matter with the Swiss authorities, because I give you fair warning that the Adams case is not finished. I would recommend to my group that we support him in his application for a petition for fair trial, because the constitutional laws were not fully applied in Switzerland, I am legally advised. And secondly, an application to the Human Rights Court will ensure that this matter continues. We hope that you can give us some encouragement today that the requirements of justice in the case of Mr Adams and the right of information in this Community about the actions of multinationals will be upheld in the near future.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I shall answer the questions in the order in which they appear in Document 612/78.

First question: the Joint Committee has met twelve times since the agreement entered into force. The last meeting was in December 1978. The meetings are convened by the chairman at the particular time. The chairmanship alternates between the Commission and Switzerland. The chairman fixes the agenda after discussion with the other party. The fundamental issues in the Adams case were not discussed in the committee but they have been the subject of frequent conversations. These conversations are continuing.

Haferkamp

Second question : Mr Adams close his own lawyers to defend him in the Swiss criminal proceedings. The Commission made payments of about 110 000 Swiss francs to support Mr Adams in the defence of his rights in the proceedings. This sum covered the provision of a cash surety, and the payment of court fees and lawyers bills. The internal Swiss criminal proceedings came to an end with the verdicts of the Swiss Federal Court of 21 April and 3 May 1978. Mr Adams has not yet suggested to the Commission that he wishes an appeal to be made to the European Court of Human Rights. He has not expressed any reaction to the Commission following the two judgments of the Swiss Federal Court.

Third question : in the Commission's view it is not for the Commission to comment on judgments of Swiss courts or on their compatibility with the Swiss Federal Constitution. In the criminal proceedings against Mr Adams, the defence made the point to the Swiss Federal Court that an action under Article 273 of the Swiss criminal code was in conflict with the obligations accepted by Switzerland in the free trade agreement with the European Community. The Swiss Federal Court maintained on the contrary that there was no conflict between Article 273 and the obligations under the free trade agreement.

Fourth question : the Swiss Government has made no declarations off the kind referred to in the question. There are permanent contacts between the Commission's offices and the Swiss mission in Brussels. The Commission assumes that this will ensure that there is no repetition of a case like this.

Fifth question : it is not for the Commission to comment on the competences of the Swiss authorities. As is generally known, Article 273 of the Swiss criminal code deals with crimes against State security. Article 105 of the Federal law on actions under Federal criminal law stipulates that the desirability of instituting proceedings must be assessed.

Sixth question : either party may terminate the agreement by giving notice to the other. The agreement lapses twelve months after the date of such notice. The Commission does not intend to propose termination of the agreement. In the event of an infringement of the rules of competition contained in the agreement, provision is made for a detailed, controlled procedure which includes the possibility of counter-measures. The provision of complete information is vitally important to an assessment of the question as to whether the rules of competition have been respected. We are seeking with the Swiss authorities suitable means of ensuring that such information is made available.

President. — I call Mr de Gaay Fortman to speak on behalf of the Christian-Democratic Group (EPP).

Mr de Gaay Fortman. — (NL) Mr President, the question put by Mr Prescott has a number of aspects.

The first aspect is that of determining whether Hoffmann-La-Roche in fact infringed Article 86 of the EEC Treaty. Mr Prescott has pointed out that we now know that to have been the case since the Court of Justice has confirmed that the Commission was right. There has been an infringement. This is important in the context of implementation of the trade agreement but it is not directly relevant to an assessment of the judgment of the Swiss Court of Appeal since that judgment is founded on other, independent reasons.

Secondly, there is the personal aspect of Mr Adams case. In previous debates speakers from various groups have drawn attention to the personal tragedy suffered by Mr Adams; Mr Prescott in particular has taken pains to bring this matter to our attention and to that of the Commission and to see that something is done for Mr Adams. My group appreciates this point of view. The question arises as to whether Mr Adams could appeal to the European Commission for Human Rights (not the European Court of Human Rights as wrongly stated in Mr Prescott's question). An appeal must be made first to the Commission for Human Rights which then ascertains whether the Court can be appraised of the matter. Switzerland has recognized the individual right of appeal. It is therefore possible for Mr Adams to appeal to the Commission; but he would have to respect a period of six months from the last decision of the national court, i.e. from the date on which that decision became final. In other words, as I see it, Mr Adams would have had to lodge his appeal in November last year. I do not know whether this has in fact been done.

Then there is a third aspect. The Swiss Court of Appeal rejected Mr Adams' defence that the trade agreement between the Community and Switzerland must influence the application of Articles 273 and 162 of the Swiss Code of Criminal Law. The legal service of this Parliament analysed that ruling in an expert memorandum and made certain cautious criticisms of it. The note clearly indicates that there are good arguments for maintaining that the existence of the trade agreement should have caused the Swiss authorities to desist from prosecution of Mr Adams on the basis of Article 273 if the Swiss code of Criminal Law. In the light of the circumstances this prosecution in any case appears absurd. Mr Prescott has also made this point, although in somewhat different words. For human and juridical reasons it seems important for the Commission, after studying — if further study is needed — the questions raised by the ruling of the Swiss Court of Appeal, to make known to Parliament its opinion on the legal influence which it considers the trade agreement has on Swiss law and on practical occurrences. From this angle I was disappointed by the answer given by the Vice-President of the Commission who did what a lawyer should rarely do : he attached excessive importance to the sovereign juridical authority of the Swiss Government. In my

De Gaay Fortman

view the Commission must now deliver a formal opinion on the matter since the ruling of the Swiss Court of Appeal would enable parent companies established in Switzerland to prohibit their subsidiaries in the Community from giving information to the Commission if the provision of such information would conflict with Swiss national legislation. That fact in itself seems to me to make it necessary for the Commission to decide whether the ruling is compatible with the trade agreement between the EEC and Switzerland. Should not the Commission indicate its opinion precisely because it is responsible for supervising the implementation of the trade agreement? And if that is so, should it not inform us of its opinion?

President. — I call Mr Forni to speak on behalf of the Socialist Group.

Mr Forni. — (*F*) Mr President, ladies and gentlemen, I fully agree with the statement made just now by Mr Prescott on this Adams-Laroche affair. We have rightly criticized the Commission's attitude in a number of areas. We have repeatedly expressed our regret in this Parliament at the fate of Mr Adams and we have also regretted the Commission's inertia in certain instances, particularly in respect of the advice which it might have given to Mr Adams on the placing of his case before the responsible bodies under the European Convention on the Rights of Man.

I have no wish to encroach upon the internal affairs of Switzerland, but I do feel that in the light of this individual case we should make an objective examination of the juridical situation that has arisen and of course draw the relevant economic conclusions. At the juridical level first of all, it is quite clear that Switzerland has disregarded a number of its own constitutional provisions on the value of international treaties in relation to national legislation. We know that the Swiss courts invoked Articles 273 and 162 of the Swiss criminal code to sentence Mr Adams, although the Swiss judges cannot have been unaware that international treaties concluded with the Swiss Confederation form an integral part of Swiss internal law and take priority over previous legislation. It is quite clear that this assumption holds good in respect of the July 1972 agreement between the European Community and the Swiss Confederation.

The second juridical observation is that there would seem to have been a manifest infringement of certain elementary rights of a citizen, Mr Adams. How can we consider the decision taken and the sanctions imposed on him to be legal now that Laroche has been sentenced by the Commission and Court of Justice of the European Communities to pay a relatively high fine because of abuse of dominant positions for which it had been criticized and which had been detected thanks to the information provided by Mr Adams?

Those were the first observations I wanted to make in this debate and they lead on to a number of economic

considerations: to my mind we have here a flagrant demonstration of the attitude of a number of multinational companies throughout the European Community. We have long been aware that the multinationals were spreading their tentacles out extremely widely and that from a head office in the United States or in a tax haven the economic actions of these companies were making themselves felt in many other countries, to such an extent that unfortunately this economic power only too often took precedence over political authority. We also know that the attitude of the multinationals creates a certain imbalance and what holds good today in the case of vitamins certainly also applies in the agricultural sector to fertilizers, to pharmaceutical products and in several other important sectors which are dominated by the multinationals — be they Swiss or American in origin. We also know that the action of the multinationals is making the European Economic Community dependent on a number of power blocs — in particular the Atlantic bloc. Finally we know that it serves no useful purpose to promote a number of measures and define a number of policies if at the same time an economic influence is exercised through various companies whose weight in the Community is so great that it completely cancels out the efforts made here by the Parliament or Commission of the European Communities.

The second economic aspect which arises is the validity of the agreements concluded between the Community and a third country, in this case Switzerland, when the provisions of the treaties and in particular that of July 1972, have manifestly not been respected.

In the light of these juridical and economic considerations, I personally draw a number of conclusions. The first is to condemn in no uncertain terms the complicity of the State, and I would go so far as to say of the Swiss courts, with the multinational companies. If other Members are unwilling to join me in this condemnation I would simply ask them to take note of a situation created by these decisions taken by the Swiss courts in respect of an individual citizen, Mr Adams. Secondly, and here I am making an invitation to the Commission, I wonder how a trade agreement concluded with the Swiss Confederation can be upheld when we have the flagrant demonstration of a number of violations of it by Switzerland. My third conclusion is that we must reflect on the role and influence of the multinationals within the European Economic Community. That reflection is necessary if we genuinely wish to progress with the construction of Europe. My last point, which I make with no trace of irony, is to congratulate Mr Adams on his courageous action and encourage the Commission to see to it that justice is done to him so that other citizens will not be discouraged but will continue to provide information on the attitude and behaviour of multinational companies within the European Community.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) I shall be very brief. I just want to stress that our task is to ensure the orderly application of the free trade agreement and in this connection we need complete information, as I said just now. Without full information it would be impossible to implement the provisions of the agreement relating to competition. That point needs to be stressed.

I should also like you to note that the competent services of the Commission have the possibility, under the relevant provisions of Community law, of seeking information from companies established in the Community. This also applies to the subsidiaries of companies whose head office is in a third country. These subsidiaries are subject to the same obligation to provide information to the Community as all other companies established on Community territory. You may rest assured that — having regard also to today's debate — we shall continue our efforts to ensure the orderly implementation of compliance with the provisions of the free trade agreement.

President. — I call Mr Prescott.

Mr Prescott. — Just one quick remark. I appreciate that it is not not another debate, Mr President. I welcome what all the speakers have said, particularly those who mentioned the courage of Mr Adams in this case. As the vote on this debate will take place tomorrow, I want to indicate that I would consider tabling a motion to refer the matter to Legal Affairs Committee in view of the fact that the Commissioner has made clear in his statement that they do not consider terminating the agreement. But if they are legally in breach of the agreement, then they must discharge their obligations, since the agreement has already been broken by the other party. So, Mr President, I would like to give notice that I will put a motion down asking our Legal Affairs Committee to give us their interpretation of the breach of the agreement, and the Commissioner can appear before it and give them more information.

President. — I have received from Mr Prescott, Mr Forni, Lord Ardwick, Mr Patijn and Mr Johnston a motion for a resolution (Doc. 622/78) with request for an early vote pursuant to Rule 47(5) of the Rules of Procedure to wind up the debate on the oral question on Mr Adams and Hoffmann-La Roche. I shall consult Parliament on the request for an early vote at the beginning of tomorrow's sitting.

The debate is closed.

14. *Limit on speaking time*

President. — Honourable Members. In view of the stage we have now reached on our agenda, I hope you

will appreciate that I must use the authority of the Chair to ensure that we can conclude our proceedings by 8.00 p.m. I shall therefore limit speaking time for the last item to ten minutes for the rapporteur and five minutes for each of the other speakers.

15. *Common fisheries policy*

President. — The next item is the report (Doc. 608/78) drawn up by Mr Hughes, on behalf of the Committee on Agriculture, on the common fisheries policy.

I call Mr Prescott on a procedural motion.

Mr Prescott. — Mr President, I give way to Mr Corrie. My colleague is only just arriving at the airport, so I do not know whether Mr Corrie has other information.

President. — I call Mr Corrie.

Mr Corrie, deputy rapporteur. — Mr President, in fact Mr Hughes had hoped to be here before this debate started. He is landing at the airport at this very moment, so obviously cannot now be in this Chamber. I have in fact been asked to say a few words of introduction on this document. I hope that this is alright with the Chair. This means that I will not be speaking for my group, but simply introducing the report on behalf of the Committee on Agriculture.

We had a very full debate on the Hughes report at the last part-session of Parliament, fairly late at night. On the Friday it was unfortunately, by mistake I think, sent back to committee. Mr Hughes accepted all the amendments that were put down to it, and again it speedily passed through the committee, and now it is back again here. I really feel with the greatest respect to the Commissioner who is in the House at the moment, that further debate on the document would be pointless, unless we have the agricultural Commissioner actually here to answer detailed points. We did have a full debate, as I said, at the last part-session.

Two further amendments have been put down, but these will not come up until tomorrow, and by then Mr Hughes will be here and he can decide whether he is going to accept them or not. I think the important thing is to remember that the sooner we get a fishing agreement of some kind, the better it will be for everybody in the Community. The longer we drag on before we get an agreement, the more difficult it becomes, because the fish stocks throughout our waters are undoubtedly getting less, and this not only means smaller shares for the nine countries of the Community, it makes it even more difficult to bargain with third countries for fish in their waters for fish in our waters.

Everything in the document has already passed through the Committee on Agriculture and been accepted. It has passed through this House on two or

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three previous occasions, and everything in it has been accepted by all the groups. I would hope therefore that tonight it would pass after a very short debate.

President. — I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — Mr President, it was very courageous of Mr Corrie to take this job on at the last minute, but I do agree with him that it is quite useless to discuss agricultural or fishing subjects without the appropriate Commissioner here, and this I would submit, is one of the weaknesses of the Parliament which really must be remedied.

Getting a workable and, above all, a fair fisheries policy is of importance to the Community as a whole, but it is a matter of life and death to many of the ports of the Community such as, for example, Fleetwood, on the Fylde coast, whose trawlers have traditionally fished in Icelandic waters, from which they are now excluded. I believe that it is not impossible to salvage something from the disaster of Iceland by using the lever of the attractive Community market for their produce, but even if such negotiations were successful they would take time, and meanwhile such ports, alas, are dying. That is why I attach great importance to paragraph 5 of the motion for a resolution, which refers to compensation for loss in third-country waters when drawing up the shares of total catch.

We should also take into account the share of total fish-stocks which any country puts into the pool, and the huge contribution made by the United Kingdom must entitle UK fishermen not only to a very substantial share of fish-stocks at their present depleted levels, but also to a fair share of the benefits of improving fish-stocks which result from the conservation measures now being enforced.

We attach very great importance to the proper enforcement of any agreements which are reached. Far too often some countries obey the rules meticulously, whilst others cheerfully ignore them as though they did not exist. Now this simply cannot be tolerated, and clearly the best people to enforce conservation measures are the coastal States because of their local knowledge of the area.

However, although conservation measures will lead to a replenishment of fish-stocks, there is an urgent need for the exploration and exploitation of new fishing-grounds and new species of fish. Paragraph 14 suggests that efforts should be made to identify new species of fish suitable for the fishmeal industry. I entirely agree with that, but why not species of fish that are in fact suitable for human consumption? At present two of our vessels from Fleetwood are fishing for mackerel off Cornwall, but with the rate at which fish consumption is going up, grounds and species at present available are not sufficient and will become

even less so as time goes on. Surely it would be an ideal use of Community funds to finance exploratory voyages to new fishing-grounds and the exploitation of new species as yet unused for human consumption. An example of new ground is the South Atlantic, which has excellent supplies of South Atlantic cod, an ideal fish because it is larger than Icelandic cod and is a very firm fish and altogether desirable. But it is an expensive business to embark on voyages to this and other fishing-grounds? If something is not done quickly to keep our ports working and our trawlers on the high measures bear fruit, but there will be no seamen to fish them and no ports to receive and process them in some of our old-established fishing areas. If such research trips were to be assisted from Community funds, it would serve the dual purpose of finding new wealth for the Community and tiding over areas of the Community which are now in serious difficulty. I very much hope that such assistance will be given to a very deserving sector of our Community.

President. — I call Mr Nyborg.

Mr Nyborg. — (DK) Mr President, because of the reduced speaking time my carefully prepared speech is rather in shreds, but I shall try to manage as best I can.

I think there are various positive points in this report. It expresses the hope that a common fisheries policy can be established — I hope so, too. The national arrangements are not working — I can agree with this, too. There must be decisions to let the fishing industry know where it stands. The fishermen must know how to proceed and the related industry must be able to plan ahead. I absolutely agree with this. It also says that we must put money into fish farming, promote particularly desirable species of fish and encourage research so that by means of new fishing methods, perhaps by using species which have not been fished before, we may exploit resources which are not being exploited at present.

I must say however, that this motion for a resolution contains so many references to new restrictions and the like that, taken as a whole, it is unacceptable. It talks about preferences and special quotas for particular groups within the European Community which may be understandable when one considers certain countries, certain coastal areas, where fishing is relatively undeveloped, but which runs counter to the idea of a common fishing zone, common Community waters with identical rules for all fishermen.

We need to look at the marine biological effects on the food chain and I am thinking here of Dr Ursin's North Sea model which makes it possible to keep the desired balance by means of rational fishing of the different species. Paragraph 8 of the motion for a resolution speaks about the Norway pout box and says

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that not enough is known about it yet and there will have to be more research before its use can be extended. The British can go on like this for the next twenty years, because nothing is said about how long it may take to carry out such research. Obviously we cannot accept this.

Similarly, we read here that strict measures must be introduced to regulate the number of nets on board vessels. This is perfectly all right for vessels which can sail out to the fishing-grounds in the morning and return again in the evening, but those which are away for long periods and want to fish a number of different species cannot rush home every other day to fetch new nets. This document is what I would call a British document. The words have been chosen very carefully, very cleverly, but if, for instance, you take paragraphs 2 and 8 and compare them you will see that you get a different impression from when you read them separately. I believe these ideas directly conflict with German, French, Belgian, Dutch and Danish interests, and I earnestly recommend that this document be rejected when it is put to the vote, just as we turned it down the last time we were asked to consider it, that is, during last part-session.

Lastly, I wish to explain that, if I have not tabled any amendments, this is simply because any draft amendment tabled by me would mean a completely new document.

President. — I call Mr Vandewiele to speak on behalf of the Christian-Democratic Group (EPP).

Mr Vandewiele. — (NL) Mr President, may I begin by thanking Mr Hughes for his new report. I am sorry that he could not be with us today because when we referred the resolution back to committee last month, we did so partly because we had doubts about the proposals on a number of points. I must say that the Christian-Democratic Group has serious objections to the resolution as a whole. I want to mention a few points on which we have our doubts in the hope that the Commission will be able to clarify the situation to us.

The first question which must be put in this debate — departing from the resolution as such — is this: where do we actually stand today? On the one hand we have the promising declaration in the supplementary memorandum for next year. This states that the Commission wants a common fisheries policy adapted to the new international rules on the exclusive 200 mile zone to be concluded in 1979. This is urgently necessary because of the serious difficulties which are arising in the fisheries sector. Moreover the lack of a Community policy on conservation is having increasingly adverse effects on relations between the Community and third countries.

Mr President, it is becoming increasingly clear that we are being discouraged by the fact that more than one

year ago eight Member States agreed to a common regulation, but we are still being confronted with the intentional obstruction or inability of one Member State to decide on this common regulation. Can the Commission tell us what the situation is at present? If I am really to believe the report the Council decided in December 1978, that as a transitional measure up to 31 March, in other words next month, the Member States must regulate their fisheries activities in such a way that their catches accord with the permitted catch quotas proposed by the Commission to the Council, having regard also to the quota which will probably be opened for third countries. That is the heart of the matter. All the other proposals by Mr Hughes which we could discuss for hours — as we have done in the past — are of secondary importance when compared with the question as to what is to happen after March. Gentlemen of the Commission, what answer are we to give to the trawler owners when they ask should we invest and if so in what should we invest? What will happen to the fisheries sector if provisional measures are taken all the time without coming to any real decision? I would like the Commission to answer that question. Has the procedure under Article 169 of the Treaty already been introduced?

The report states that the Commission intends to set in motion the procedure under Article 169 because of the refusal by one Member State to respect a number of provisions which have since become discriminatory. It is important for the Parliament and public opinion to know whether this is happening, and whether the Commission expects results to be achieved. I am sorry to speak in such strong terms, but I do so because I want to see a Community solution to this problem.

Turning to the resolution, our group agrees on the whole with many of the conservation measures proposed. Our internal fisheries policy must be aimed at the conservation of the biological resources of the sea; other speakers have already stressed this point. We wish to achieve this through a scientifically based policy, quotas and detailed fishing plans. At the same time it would not be acceptable for certain groups to claim all the benefits while others make all the sacrifices. I do not intend to name names, but we all know who is meant.

As to the control measures mentioned by Mr Hughes, we would refer to last month's debate on the encouraging report by Mr Klinker. I should be grateful if the Commission would give some information on this point. Are the ideas set out in the Klinker report to be used as the basis for concrete Commission proposals? What are the difficulties of implementation by the Council? Can the Commission say whether the existing control arrangements are arrangements are working satisfactorily? I have contacted the interested groups concerned and been informed that there are

Vandewiele

indeed certain forms of control and that everything possible is being done. But let us not have any illusions. It is extremely difficult to exercise full control over the loading, unloading and transshipping of fish, possibly on the high seas. That is extremely difficult. What further measures does the Commission consider necessary in order to ensure that these quotas are respected in future and to prevent a feeling of frustration on the part of those who do respect them?

Two last questions, Mr President. What does Mr Hughes, resolution mean when it speaks of an exclusive 12 mile zone? Our support for the motion will depend on the answer given to that question.

Secondly we should like to know why it has been decided to propose a ban on the use of factory ships for industrial fishing. I hope that Mr Hughes will be able to answer me on these points. This is an ambiguous text which requires further interpretation without which my group will have to think twice before voting in favour of it.

President. — I call Mr Brugha.

Mr Brugha. — The motion for a resolution, Mr President, under discussion is very detailed and comprehensive, but I do feel that it overlooks some aspects which are of vital interest to fishermen, particularly in my own country. Whatever way we go about it, any fishing policy must be based on the proper conservation of fish resources and the management of those resources in a reasonable manner, and in the short time available to me I would like to stress a few specific points.

In any solution to the fisheries problem, it is essential that coastal fishermen be adequately protected and given access to fish resources which will not only ensure their survival but also provide them with an income level comparable to other sectors. This means that coastal fishermen must be given special rights and priority treatment. I notice that the motion stresses that immediate attention be paid to the reconversion of deepsea boats and their replacement by middle-water boats. While I fully understand the need to help out those deep-sea fishermen who have been thrown out of their territorial fishing waters by third countries, I think we must be careful not to transfer this problem to our own inshore-fishing area. What I mean is that we must not encourage those fishermen to move into coastal fishing-areas which are already more than adequately fished by our own inshore fishermen. What is necessary is that our coastal fishermen should be given full assistance to purchase fishing-boats and gear necessary to allow them to fish throughout the year and for different varieties of fish.

Because of the point I have mentioned, Mr President, and in conclusion, I wish formally to move some amendments which I and my colleagues have drafted and which have been tabled.

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, I see that Mr Hughes is in the Chamber and we hope we will hear from him in this debate. Much of this report, is I think, from the point of view of the UK, and Scotland in particular, very much better than we have been accustomed to receiving. Of course a lot of the statements in it are perforce in the form of platitudes, and particular rules will have to be drawn up to put these generalizations into practice. But I welcome much of it, and I welcome the ban on industrial fishing. If it continues at the present rate there will simply be no fish left, and I think all concerned must welcome that proposal. I support the view that quotas should not be based exclusively on past performances that would mean that those are already overfishing would get the larger quotas, and that, of course, would not be just or sensible.

The Scottish Fishermen's Federation representing the main associations say that 1979 will be a crunch year for the whole industry. The uncertainty affects investment it affects recruitment and that, I think, is a sad thing because this concerns the livelihood of the young men who are not entering the industry at the normal rate. I am sad to tell this House it also affects the livelihood of men in the fishing industries. In my own constituency, which is not untypical of my part of Scotland, there have been two disasters with total loss of life in just over a year. Because of the great financial uncertainty, if the fish is good, the temptation is to keep at sea in very dangerous waters. That, I believe, was the cause of these two particular tragedies, which have clouded the lives of two whole towns that I represent and will do so for a very long time.

I find it rather hard to listen the criticisms of the UK from other Member States in this field. I really feel it should be the other way round. It is not an accident that the UK pond is richer; it is because of the conservation practices over generations where, in a traditional industry, there was an incentive to hand the boats on from father to son so that there were more small owner-skipper vessels than big company ships. This incentive is so strong that the Scottish waters make a higher contribution to the UK pond, which in turn is a rich pond for the EEC. I welcome the licensing of boats, but I want to know whether owner-skippers will have the right to a license or whether there will be some arbitrary arrangements which would drive the very kind of person we want to encourage, who is so important to small communities, to take dangerous risks. This is the kind of uncertainty that I was mentioning. There must be a monitoring of catches. The licences should specify when, where, for what species, and in the case of threatened species, the quantities to be landed daily or weekly. Infringements Mr President, should, in my view and that of the Scottish Fishing Federation, lead to penalization both of the skipper and of the vessel by a one year suspension.

Ewing

I was disappointed to hear my colleague, Mr Nyborg, from Denmark, disagreeing with this proposition on one-size nets. This is where some of the most evil practices occur, boats go to sea with two nets so that, if they are intercepted, they can quickly use another net or try to do so. One-size nets seems to me an elementary and fair principle. Canada, Norway and the Faroes have already imposed measures of this kind and I think that if the uncertainty continues the UK will clearly have to rely on The Hague Convention, which permits a coastal State to introduce non-discriminatory conservation measures.

We notice that there has been so much opposition to introducing conservation measures until it was clear that the UK would do it unilaterally. The Scottish Fishermen's Federation believes that if the present level of their fleet is not maintained communities will die. They are prepared of course to accept that there is a possibility of restructuring by taking older vessels off the sea, but they feel that the replacement to give younger men vessels must continue. So the UK package which is being pressed seems to me a fair one.

I would ask this House to consider that you cannot look at the common fisheries policy, or the lack of it, in isolation. You cannot make platitudinous speeches about how this Community is a caring Community, you cannot talk about concern for the regions and the peripheries where there is no alternative employment. You cannot talk about concern for preserving cultures and ways of life, valuable, admirable ways of life which the people want to go on living, and at the same time encourage attempts to subject these communities to regional death. And that is precisely what many of the speakers would have us do. They would kill off communities in sparsely populated areas with no alternative employment and turn this admirable race of men into people getting hand-outs of some kind, turn them into useless people. And that cannot be allowed, we cannot sit by and allow the Community to do it. I would urge to you remember that in its anxiety to enter, Britain sacrificed the interests of the fishing industry of the UK and gave promises that this would get fair consideration in due course from the other Member States. We were told it would be renegotiated. Well I would ask this House not to consider the British position as selfish, but rather to ask if the boot isn't on the other foot, and that when they are telling us we have got to watch our regions die, perhaps the selfishness comes from the other Member States.

President. — I call Mr Müller-Hermann.

Mr Müller-Hermann. — (D) Mr President, I do not wish to prolong this debate unnecessarily and shall confine my remarks to one point in Mr Hughes' report, i.e. paragraph 12 which refers to factory ships

engaged in industrial fishing. The formulation of this paragraph is ambiguous and to my mind open to criticism because we do not want to hold up progress through our fisheries policy; on the contrary we want rational fisheries activities which also help to conserve the fish stocks. Certain factory ships catch everything they can for processing industrially into fish meal and fish oil. Those production processes must be prohibited in future. But there are other technically highly advanced factory vessels which catch fish for human consumption, the fish being filleted and frozen on the high seas; the waste products are then processed into fish meal or fish oil. I think it would be ludicrous to prohibit factory vessels of that kind and in the specific case of the Federal Republic this would mean scrapping our entire, high quality sea fishing fleet in which a great deal of public funds have been invested. I would therefore recommend adoption of the amendment which I have tabled with Mr Vandewiele; it formulates the issue more accurately and proposes only to prohibit those factory vessels which catch fish solely or primarily for the production of fish meal. I should be most grateful to the rapporteur if he would approve our proposal and if the Commission representative could indicate his support for my points.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission.

— (D) Mr President, on all the main questions of detail raised this evening I can do no better than refer you in full to the observations made by my colleague, Mr Gundelach, in the debate in this house on 18 January. In the many debates held in the past on this subject and in the general policy statement given this morning by the President of the Commission, it has become perfectly clear that the Commission attaches vital importance to every aspect of fisheries policy. When the President said this morning that the lack of a common policy is not a gain for any of our Member States and for any of our fisheries industries but a loss for them all and that the difficulties will only increase with the passage of time, this is surely evidence of the great priority attached by the Commission to this sector.

The Commission has stated on numerous occasions how grateful it is for the constant support given to it by the Parliament in this matter and how strongly we are urging the Council to take decisions. The Commission has been specifically asked to define its position on paragraph 12. I have not had occasion to discuss this in detail but since conservation is a very important aspect of our policy I would say at first sight that this paragraph reflects our approach and that we have no fundamental reservations on it.

As to the question whether a decision can be expected in March, I must admit that we have never been able to prophesy when the Council will act. We shall

Haferkamp

however press strongly for action on the lines indicated this morning by Mr Jenkins and in accordance with the views expressed by Parliament last month and on earlier occasions. We thank you for your support, Mr President.

President. — I call Mr Hughes.

Mr Hughes, rapporteur. — Mr President, I am sorry for the delay. I apologize to this House, to you, Mr President, and to the representatives of the Commission for my absence at the start of the debate, but aircraft are occasionally late and there is nothing one can do about matters like that.

If I may, I shall, before turning to the remarks of various Members faithfully transmitted to me before I came, outline what is intended by this motion for a resolution. This is not a blueprint for a common fisheries policy. This is an outline of where this Parliament has unanimously found itself over recent months and recent years. It is a recapitulation of the position of Parliament. It would be open to the representatives and Members from every single Member State to put in amendments pushing a particular view, pushing the interests of their own concerns, quite properly, but that is not what this motion is attempting to do. What it attempts to do is to bring together those areas where historically this Parliament has found itself in agreement, and to remind the Council, through the Commission, of where this Parliament has found itself after a number of lengthy debates. But I understand that before I was able to be here, Mr Nyborg suggested, as he did in our debate last month, that this beneath its surface was an exclusively British resolution. Can I very strongly reject that, since three-quarters of it is word-for-word a motion for a resolution put forward by Mr Kofoed when he was a Member of this House — and he is now the Danish Minister of Agriculture. It is a little difficult to have blamed on me and on the British Government a motion put forward in the name of, and proposed by, Mr Kofoed, when he was a member of this House, and is now the Danish Minister of Agriculture. There is a perfectly respectable marine biologist's view that says: free-for-all and damn the consequences. And there are perfectly respectable politicians who hold that view. Neither Mr Kofoed, nor any Member forming part of a majority at any stage in this Parliament, has held to that view. This Parliament has consistently come down in favour of the opinion that licensing and quotas and control, however regrettable, are that essential prerequisite of a conservation policy, upon which alone can you secure the future prosperity of the fishing industry in the Community.

If I may turn next to Mr Vandewiele and Herr Müller-Hermann, and to their amendment to paragraph 12. I accept entirely that the current wording of paragraph

12 could be open to misrepresentation as being too tightly drawn, and I will entirely accept, and recommend to this House tomorrow morning, that they accept that amendment.

I do not know Mr President whether you want me to go through amendments, some of which are not yet available to fellow colleagues in this House, but leaving that aside, may I now turn to the amendment by Mr L'Estrange, which was discussed in the Committee on Agriculture, and which, again I have no difficulty in accepting.

I turn to what Mr Vandewiele said concerning paragraph 4. Here we are undoubtedly in a difficulty. What individual Member States read into paragraph 4 will be very near the centre of the debate in the Council of Ministers. I have tried in this motion to indicate the extent to which, while preference should be granted on the one side, access should also be granted on the other. I have tried to make this statement neutral. If any Member can find a more apposite choice of words to maintain that neutrality, I would be grateful for any amendment that defines that position while retaining the two essentials: preferential access for those communities who rely, and can only rely, on fishing for their livelihood, particularly in the more dispersed and distant parts of the whole of the European Community, and at the same time the right and the principle of free access.

Finally, and very briefly, because I know time is short, may I turn to the words of Mr Brugha? I accept entirely that nothing in this motion guarantees an adequate continuation of the earning-power of those involved in the fisheries industry into the future. Were it in the power of this Parliament to guarantee that to any sector — whether in industry, farming or fisheries — our lives as politicians would be a great deal easier. It is not in our power to do that, and I have therefore, in this motion, steadfastly avoided making promises which we cannot fulfil as reality. We can all hope that out of a common fisheries policy the long-term future of those involved in the fishing industry can be safeguarded. What none of us can in honesty offer is the assurance that over the next few months and years there is a prospect for the fishermen in this Community of other than hard times. And I think if we offer other than hard times to the fishermen, wheresoever they be, in the Community, we lead them along a road of totally false hopes.

But I understand and I am open to correction that there are a number of detailed amendments which I will have a chance to study overnight. I hope, Mr President, that before the House comes to vote upon this tomorrow I can have a discussion with the originators of these amendments so that we can come to some amicable agreement.

Hughes

Can I wind up by apologizing once more to you, Mr President, and thanking my friend, Mr Corrie, for introducing this report in my absence?

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, together with the amendments which have been moved, at voting time tomorrow.

The debate is closed.

16. *Agenda for the next sitting*

President. — The next sitting will be held tomorrow, Wednesday 14 February 1979, with the following agenda:

10.00 a.m. and afternoon until 8.00 p.m. (possibly 9.00 p.m.)

- Decision on urgency of a motion for a resolution and on a request for early vote on another motion for a resolution

- Oral questions with debate to the Commission and the Council on relations between the European Community and the ASEAN States

- Oral question with debate to the Council on textile imports into the Community

- Oral questions with debate to the Commission and the Council on a European driving licence

- Oral question with debate to the Council on the carriage of goods by road

- Oral question with debate to the Foreign Ministers on anti-Semitism and neo-Nazism

- Oral question with debate to the Foreign Ministers on the situation in the Far East and in Africa

3.00 p.m.:

- Question Time (questions to the Council and the Foreign Ministers)

4.30 p.m.:

- Voting time

The sitting is closed.

(The sitting was closed at 7.50 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

Question No 7, by Mr Brosnan

Subject: OPEC oil price increase

It is estimated that the price of crude oil is likely to rise by 14.5 % by October 1979. What effect is this likely to have on the economic prospects for the European Community?

Answer

The Commission assumes that oil price rises will average 10 % for the year 1979. I shall not now list all the hypotheses and qualifications behind the Commission's estimates. On the basis of its assumptions, the Commission has arrived at the following calculations:

- A 10 % rise in the price of oil will increase the Community's expenditure on oil by a further USD 4 800 million — i.e., the balance of trade will deteriorate by USD 2 500 million;
- Inflation will rise 0.35 points;
- Gross internal product will fall 0.3 points.

The effect on the Community's industrial trading partners will be of a similar order of magnitude and will make itself felt in external trade. A return to adequate, non-inflationary growth levels will thus be harder to achieve.

The price rise will affect the Member States differently, because some of them are totally dependent on imported energy, like Ireland, Italy and Denmark, while others depend very heavily on external trade like the Benelux countries.

The Commission's conclusion: efforts to coordinate and support greater convergence in the economies of the Member States are all the more urgently needed!

SITTING OF WEDNESDAY, 14 FEBRUARY 1979

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IN THE CHAIR : MR COLOMBO

President

(The sitting was opened at 10.15 a.m.)

President. The sitting is open.

1. *Approval of minutes*

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Since there are no comments, the minutes of proceedings are approved.

2. *Documents received*

President. — I received from the Commission yesterday, 13 February 1979, a proposal for the transfer of appropriations between chapters in Section III (Commission) of the General Budget of the European Communities for the 1979 financial year (Doc. 579/78). The proposal has been referred to the Committee on Budgets.

Since the proposed transfer concerns expenditure not necessarily resulting from the Treaties, I have consulted the Council on behalf of Parliament in accordance with the provisions of the Financial Regulation.

3. *Appointment of a Member of the Court of Justice*

President. — I have been informed by the Conference of Representatives of the Governments of the Member States that it has appointed Mr Thymen Coopmans as Member of the Court of Justice until 6 October 1982.

4. *Decision on urgency*

President. — I consult Parliament on the adoption of urgent procedure for the motion for a resolution (Doc. 621/78), tabled by Mr Dankert on behalf of the Socialist Group, on an appeal for clemency for the life of Mr Bhutto.

The reasons supporting the request for urgent debate are contained in the document itself.

Since there are no objections, the adoption of urgent procedure is agreed.

I propose that the motion for a resolution be entered as the last item on the agenda for Friday, 16 February 1979.

Since there are no objections, that is agreed.

5. *Decision on request for early vote*

President. — The next item is the decision on the request for an early vote contained in the motion for a resolution (Doc. 622/78) tabled by Mr Prescott, Mr Forni, Lord Ardwick, Mr Patijn and Mr Johnston, pursuant to Rule 47 (5) of the Rules of Procedure, seeking to wind up the debate on the oral question (Doc. 612/78) on Mr Adams and Hoffmann-La Roche.

I call Mr Prescott.

Mr Prescott. — Mr President, I should like to be sure that the — procedure is correct. All this is intended to do is to provide the opportunity for the House to vote at 4.30 p.m. on the motion for a resolution following the debate last night, which simply refers the whole matter to the Legal Affairs Committee. This means that all we are doing now is agreeing that we can vote on this at 4.30 p.m.

President. — I put to the vote the request for an early vote.

Since there are no objections, the motion for a resolution will be put to the vote at 4.30 p.m.

6. Relations between the European Community and the ASEAN States

President. — The next item is the oral questions with debate by Mr Jahn, Mr Martinelli, Mr van Aerssen, Mr Bersani, Mr Früh, Mr Vandewiele, Mr Dewulf, Mr Ney, Mr Wawrzik, Mr Mont, Mr Müller-Hermann, Mr Tolman, Mr Schwörer and Mr Klepsch to the Commission (Doc. 587/78) and to the Council (Doc. 588/78):

Subject: Relations between the European Community and the ASEAN States

Following the meeting at Minister level of 20-21 November 1978 between the Community and the ASEAN States, the Commission and the Council are asked:

1. How do they propose to take account of the growing political, economic and strategic importance of the ASEAN States? How can the Community help to preserve and consolidate the political stability of the ASEAN States by promoting their economic stability?
2. What trade facilities can the Community accord the ASEAN States? In particular, what can be done to improve access for processed products and semi-finished goods from the ASEAN States to the Community market?
3. What should be the aims and content of the proposed cooperation agreement?
4. How can European investment in the ASEAN States be encouraged?
5. What possibilities exist for concluding long-term raw materials agreements with the ASEAN States?

I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen, the entry of the Asian States onto the international political scene has meant the expansion of world political and economic relations. Among these Asian States are the five countries of ASEAN with a population of more than 250 million and great natural resources.

My colleagues and I regard the question of EEC-ASEAN relations as being of the utmost importance. The ASEAN States have the fastest growth rate of all the world's trading blocs, some 7.9 %. Trade with the EEC rose by 230 % in the last four years, and now accounts for 14 % of total ASEAN trade. Furthermore their foreign investment rate is currently the highest in the world.

Events in Indo-China and the growing Soviet involvement in South-East Asia, and also in Africa, have

prompted the Federal Republic of Germany for example, to take an increased interest in the stability of the ASEAN region. This interest has already been reflected in trade, that between Germany and Indonesia for instance, increasing fourfold between 1972 and 1976.

The goal of the ASEAN association as stated in the 1976 Declaration of Kuala Lumpur is to work jointly for peace, progress and prosperity in the region. The European Community shares these fundamental aims and what the latter must now do is use all the means available to it to help South-east Asia to achieve these goals.

This region, ladies and gentlemen, has never experienced peace, and the terrible suffering, violence and destruction of life continue. The situation on the borders of Thailand and Malaysia is precarious, representing an enormous burden on the political and economic life of the ASEAN countries. The unending stream of refugees into the area is a serious threat to stability, as the foreign ministers of the ASEAN Member States declared in Bangkok on 13 January. In this sphere also the region should receive our full moral and economic support.

My colleagues and I do not speak here completely without experience, since we have visited this region several times in recent years and have permanent contacts in the area.

Undoubtedly relations between the EEC and the ASEAN have improved progressively in recent years. Since 1971 the ASEAN States have been included in the Community system of generalized preferences. The importance of this system for the ASEAN was acknowledged in a joint Declaration following the most recent Ministerial meeting. The Declaration emphasized, however, the ASEAN countries' concern that administrative procedures and non-tariff barriers could hinder the development of trade.

Mr President, ladies and gentlemen, allow me to point out in this context that the ASEAN countries account for 85.6 % of world natural rubber production, 70.9 % of the world's tin, 81.5 % of palm oil, 80 % or copra, 50 % of coconut oil, 47.4 % of spice and 9.2 % of sugar. These are figures which merit careful consideration. We need these raw materials and products now and will need them also in the future. I know that the Community is at present looking into the possibilities of stabilizing 60-70 % of these exports to the EEC. I should welcome it very much if the Commission and the Council could give an assurance that such studies will be concluded successfully as soon as possible, and communicated to Parliament.

Jahn

However, the focus of trade is still on agriculture and forestry and not on industry. Foreign currency is earned by raw materials. The ASEAN countries' goal is nonetheless to increase gradually their exports of industrial products. The strategy now being applied is aimed at industrialization using locally available raw materials, which are processed in the country according to a careful plan with the finished goods then being exported. Particularly welcome in my view is the comprehensive economic planning which is designed to encourage trade in goods throughout the whole region.

Some competition rules have already proved their worth and production centres distributed throughout the whole region further underpin this trade plan.

The raw materials reserves, which will undoubtedly include other minerals and, as now seems likely, oil and natural gas, can provide cover for our energy requirements.

A new stage in the development of EEC external affairs began with the first EEC/ASEAN Ministerial meeting in Brussels on 20 and 21 November 1978. In his opening address, the President-in-Office of the Council, Mr Genscher, emphasized the Community's determination to work together with the ASEAN States to achieve stability and peace. Both regional groupings, he said, regarded themselves as bulwarks against hegemonic aspirations. We can only endorse this statement. The EEC, continued Mr Genscher, was ready to back ASEAN objectives in principle, and was also in favour, in addition to economic cooperation, of an ongoing political exchange of views.

The leader of the ASEAN delegation, the Indonesian Foreign Minister Kusumaatmadja, drew attention to the economic significance of the ASEAN States as a market and expressed their interest in a system of stabilization of earnings for raw material exports.

I have not much more to say. May I just ask the Commission whether the ASEAN-Community trade and investment forum for prominent trade organizations of both regions has already been set up, or if not what progress has been made? What stage has cooperation between the Commission and the ASEAN reached in promoting joint ventures and subcontracting? To what extent are agreements on investment protection applicable in all nine Member States and in all five ASEAN countries? What progress has been made in respect of transfer of technology, training programmes and economic cooperation?

Mr President, ladies and gentlemen, the five ASEAN States have formed an interparliamentary community with a view to aiming at common solutions to common problems. This interparliamentary community wishes to establish relations with us, in the form of permanent delegations. We must consider how

such contacts can best be effected, so as to solve economic, social and — let me emphasize this — humanitarian problems through parliamentary cooperation. The European Parliament must not be found wanting in this task.

(Applause)

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Mr President, by holding a meeting at Ministerial level, a further milestone in the development of relations with ASEAN, the Community manifestly performed a political action which entails recognition of the growing political and economic importance of the Member States of ASEAN. The purpose of this meeting was to expand and intensify cooperation between the Community and ASEAN in the mutual interests of both parties. The joint statement adopted at the close of the Ministerial meetings sets out in detail the conclusions arrived at, covering political, economic and cultural matters.

In this framework, the Community agreed to contribute to the strengthening of political and economic stability in ASEAN, on the one hand by giving full political support to integration within ASEAN and to the growth of that Group. I refer in particular here to paragraph 8 of the joint statement which is worded as follows: 'The Foreign Ministers of the Member States of the European Community welcomed the favourable development of ASEAN as a regional organization committed to economic growth, social progress and cultural development. They recognized ASEAN as a factor of stability and balance which contributes to the maintenance of peace in South-east Asia.' In addition, the Community plans a series of economic projects primarily in the following major areas: Community support for regional integration in ASEAN: commercial policy; various aspects of development cooperation policy, and the framework for future cooperation. From among these fields, the honourable Members referred to four points in particular, to which I should like to give the following replies: The generalized system of tariff preferences is the principal means by which the Community opens its markets to ASEAN States, as it does to other non-associated developing countries. Over the past few years, and in line with the Joint Declaration of Intent annexed to the Accession Treaty, the Community has made arrangements under its generalized system of tariff preferences in the case of several products of capital importance for the ASEAN region. It has also enabled ASEAN, as a regional organization, to benefit from favourable rules concerning cumulative origin. During the Ministerial meeting the Community also confirmed its intention of contributing to a favourable outcome of the GATT

Bernard-Reymond

multilateral trade negotiations and stated that through these negotiations it was seeking to bring about in all sectors differentiated and more favourable treatment for developing countries such as those of ASEAN.

At the Ministerial meeting a major decision was taken to the effect that exploratory discussions should be held between the two parties concerning the content of a possible cooperation agreement. A first round of preliminary talks of this nature has already taken place with the Commission. In accordance with the Community's usual procedure, the Commission will submit recommendations to the Council in the light of these exploratory talks.

The Council can then give consideration to what should be the aims and content of such an agreement. Thus the Council cannot, at this stage, answer the honourable Member's question on this point in greater detail. It was agreed at the Ministerial meeting that it was desirable to continue to encourage European investment in the ASEAN region. One way of doing so would be to improve the already favourable investment climate by extending investment protection arrangements to the nine Member States of the Community and the five Member States of ASEAN (numerous bilateral agreements already exist in this field). The Ministerial meeting agreed to seek to take action of this nature at an early date. Furthermore, the Community will continue to promote various arrangements for establishing contact between economic operators in ASEAN and in the Community. The Ministerial meeting cited the Conference on Industrial Cooperation which the Community organized in Brussels in April 1977 as a successful example and noted with approval the news that a second conference of this nature is to be held in Jakarta in February 1979. Finally, it was also agreed to promote the establishment of an ASEAN-Community body concerned with trade and investment and involving the relevant business organizations in the two regions.

Long-term agreement on commodities are a feature of cooperation dealt with by economic operators in the private sector, and the joint statement indicated that both sides undertook to consider favourably the possibility of promoting long-term arrangements among economic operators of the two regions for the supply of commodities.

The Community can, of course, play a part in this field by encouraging contacts between the economic operators concerned.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, ladies and gentlemen, I have nothing to add to the tribute which has already been paid at length to both the political and the economic significance of cooperation between the Community

and ASEAN. Some important points emerged from the joint statement of the Ministerial Conference last November where we were given the opportunity and the task of promoting cooperation in specific areas. I should like to mention here just a few points which emerged.

The first is the assignment entrusted to us to hold exploratory talks with a view to a cooperation agreement. We have already started these talks. An initial round took place in December and it is planned to continue them at the beginning of March. The Commission hopes that it will be able, before the summer recess, to present to the Council draft guidelines for negotiations and it would obviously be desirable if we were in a position to arrive at an agreement before the end of the year.

The second point which is also mentioned in the joint statement is the plan for the opening of a Commission representative office in the ASEAN area, namely in Bangkok. At present we have a delegation in Tokyo. From the point of view of cooperation with ASEAN, we attach particular importance to the opening of this representation office. I should like to mention here that Bangkok was chosen because a delegation in that city can in addition be used as a point of contact with the multilateral and international institutions based there, e.g. United Nations institutions, the Asian Development Bank, etc. We thereby want to demonstrate that our aim is not merely to associate ourselves with a regional group but that, while that is indeed the immediate reason for our presence, our assignment is more far-reaching.

Mention has already been made of the industrial conference which will take place in Jakarta. It has further significance in addition to its practical value since it shows that we, i.e. the institutions of the Community and also the governments and institutions of ASEAN have no ambition to take on everything, a goal which would in any event be doomed to failure. What can be done and what we wish to do is create a framework for economic activity. This conference in Jakarta should, as has been stated here already by the President-in-Office of the Council, give those who are involved in practical economic matters an opportunity to meet, to obtain information, to discover opportunities for joint projects, investments, common activities, so that we progress beyond the stage of resolutions to that of concrete economic action.

Indeed, this is of the greatest importance in view of the economic significance of the area in question, which has a population of over 250 million, great growth potential and, as Mr Jahn stated, great resources of energy and raw materials. Real economic activity is possible here, indeed desirable, and conditions are favourable.

Bernard-Reymond

I should like to mention that precisely because of the need for cooperation outside the institutional framework, we thought it important to suggest other forms of contact and meetings in addition to contacts such as the said industrial conference in Jakarta. I took the liberty of making a suggestion along these lines to the president of the European Trade Union Confederation and of asking him whether it would not be desirable for this organization also to hold talks with similar organizations from the ASEAN area which might be members of the International Confederation of Free Trade Unions. We think this would be useful because we see for example that access to our markets in certain industrial sectors which are in difficulties here not only raise questions of an economic nature but could also have social consequences. What I mean is that it would be useful if in such a context the labour representatives also had an opportunity to meet. I admit that this was a very personal initiative, and I emphasize that. The initial reaction was fundamentally positive and I would welcome it if this channel could also be used to establish a further contact which would undoubtedly promote contacts in general.

I should like to mention a fourth point here which also found general expression in the joint statement, namely concern over the refugee problem in that area. We all know about this problem. The Community is trying to be helpful in three ways. Firstly, we have taken a series of initiatives in Member States to receive refugees. Secondly, we have tried to help those at present living in refugee camps, in particular by supplying food and emergency relief aid from the Commission, and, finally, we are prepared to give this problem priority when allocating the funds available to us for non-associated developing countries; this will not of course solve the problem, but it shows that we are prepared to do what we can to help.

As regards the questions arising from easier access to the Community market, we must take into account here that traditionally the Community has a trade deficit with ASEAN. We must also remember that a very large proportion of ASEAN products enter the Community free of tariffs in any case, either because there are no longer any duties on these products or because, as has already been explained in this forum by a Council representative, special advantages exist under the scheme of general customs' preferences whereby in the case of some products in any event, e.g. palm oil, pineapple, preserves etc., the ASEAN countries are among the beneficiaries of the scheme of generalized customs' preferences.

Account must also be taken of the fact that as far back as 1973 customs tariffs were reduced on a series of products of interest to ASEAN, and finally, one outcome of the current Tokyo Round negotiations will be another form of tariff reduction which will also benefit ASEAN. Therefore I do not think that special

additional action should be taken at this time with regard to access to our market.

Where the content of the cooperation agreement is concerned I must say, for the Commission's part, that it is too early at present to make specific forecasts on this. Generally speaking, it will be sure to deal with trade and also investment promotion. An important chapter will also undoubtedly be the exchange of experts and of trainees, technical aid, etc. There is no doubt that the question of financing and credits will also be raised. We made it clear at the Ministerial Conference that in this area the focus of activity will be in the private sphere, on private financing possibilities, on the private banking sector, and in our view a minimum of institutional structures should be set up under the cooperation agreement. I am thinking in this context of perhaps a mixed committee.

As regards the promotion of European investments, I should once again like to point out that investment by Europe is advantageous for several reasons, in particular because of the size of the market, which I have already mentioned, the high growth rate, and the generally good investment climate which exists in that area. The ASEAN States have offered to conclude investment protection agreements with the Community or with all Member States, in so far as these do not already exist.

As regards the final question of the conclusion of long-term supply contracts, I do not think that it is up to the public institutions i.e. the Community and ASEAN, to conclude such long-term supply contracts. We discussed this also in November and expressed our mutual readiness to encourage long-term economic agreements between both regions. We must examine whether such an aim is feasible and to what extent industry in Europe on the one hand and in ASEAN on the other is interested in such long-term commitments. We have not heard any such wishes expressed so far, but there is a readiness to help and to support within the framework I have outlined.

As you see we have not stood still since the joint statement of the Ministerial Conference. Since then we have sought to make progress in practical areas. We are determined to do everything in our power to promote and to strengthen such concrete, practical cooperation.

President. — I call Mr Bersani to speak on behalf of the Christian-Democratic Group (EPP).

Mr Bersani. — *(I)* Mr President, ladies and gentlemen, I want to say first of all that this debate on the question tabled by Members of the Christian Democratic Group comes at just the right time.

I should also like to express our thanks to the President-in-Office of the Council and to Mr Haferkamp of the Commission for all the useful and interesting information they provided.

Bersani

The fact of the matter — and this has emerged clearly — is that we have to go farther than partial and selective agreements and gradually develop a genuine basis for the ideal formula for a cooperation agreement. This is the kind of approach which has been advocated for a long time by the European Parliament. What it boils down to is that it is high time we made some real progress in this area, which in many respects is of paramount concern and of vital importance to us as regards economic interdependence.

In view of the very real likelihood of a cooperation agreement in the near future — the Joint Committee is already working on it — we feel that what is emerging from our debate today is of particular significance. A special mention must go to the Commission's decision to set up an office in Bangkok — a sound choice in our view. The whole approach outlined by the Council and Commission representatives has the backing of the Christian-Democratic Group.

However, there is one question which has to be asked concerning formal collaboration between the EEC and this area populated by 280 million people and producing raw materials such as tin, copper, oil, fertilizers and so on, which are vital to the existence of our Community. We have to ask ourselves how this collaboration fits into the general context of our relations with all the developing countries. In this context the Lomé Convention is a key factor in the EEC's cooperation policy. There are also other areas which we are gradually incorporating, varying how we go about it as required, in a wider-ranging approach to our worldwide responsibilities.

Everyone is aware of the two sides to this problem. On the one hand, we have to convince our AGP friends that the EEC has no intention of undermining the special position they have attained. On the other hand, our policy must not be exclusive but must form an integral part of a cohesive overall policy as proof of the solidarity which the Community cannot but have with other developing areas. Next week, for example, a delegation from this Parliament is meeting in Rome with representatives from the Latin American Parliament to consider the present relations between the two areas. I should like to see equally specific aims and a similar approach emerging swiftly in our dealings with another important community of nations. Our world policy must stand more firmly on the central pillar of the Lomé Convention, which has to be buttressed with other working agreements with the countries of the Mediterranean, the ASEAN States and Latin America.

The Christian-Democratic Group is unequivocal in giving its full backing to the general outline of what we heard from the Council and the Commission. There are one or two aspects, however, which rather

concern us, and there are also a number of basic problems we have to bear in mind.

For example, while one of the basic tenets of the Community's cooperation policy is to encourage political stability by adopting a responsible attitude of political neutrality, this is accompanied by a desire to encourage positive political and democratic development. Consequently, it would definitely be a good thing if, as part of any agreement, we could have a joint parliamentary committee and — as Mr Haferkamp suggested — provision for the social partners to take part in monitoring the economic and social developments of the agreement. It is very much in our interest to promote democracy in all spheres throughout the ASEAN area, where just next door dramatic, and in some respects alarming, events are taking place.

There are other problems in connection with the application of the system of generalized preferences. More than once we have criticized examples of speculative dealings which, in some of these areas — I am thinking in particular of certain industrial sectors in one of the ASEAN countries — have assumed a form which gave us some concern. In connection with this, there are also one or two specific problems of a social nature. These are problems which we are discussing during negotiations for the renewal of the Lomé Convention and our overall cooperation policy with non-associated countries. We are seeking to incorporate a 'social clause' designed to ensure that the ILO's minimum working conditions for employees — particularly women and children — are observed by employers in industry, agriculture and business. In this area, however, we also have the problem of a correct and suitable application of the system of generalized preferences, so that the aims for which it was conceived and agreed upon can be properly achieved.

These are the points which, in our view, have to be borne in mind during these negotiations, which are full of promises for future cooperation. Nevertheless, we feel that things are moving in the right direction. On both sides there are basic interests to be served and we have specific reasons for linking this policy to others. An area which supplies such a vast amount of raw materials, ranging from tin to oil and from palm oil to all kinds of minerals and products which are vital to our economy, is one of tremendous importance to the Community, in an age when interdependence and solidarity are growing all the time. This fusion of the economic, commercial, social and cultural aspects in a context designed to indicate the necessary democratic advances in a framework of political stability is the positive side of a trend which it is to everyone's advantage to support.

President. — I call Mr Cifarelli to speak on behalf of the Liberal and Democratic Group.

Mr Cifarelli. — *(I)* Mr President, allow me to congratulate on behalf of the Liberal and Democratic Group the Members whose oral question occasioned this debate, which has brought highly interesting contributions from the Council and the Commission.

This is certainly not the first time that we have stressed the importance of the Community's relations with the five ASEAN countries in South-east Asia, and in general with those countries which are of great significance on account of the raw materials they produce for the world market or which are creating so many problems because of their fast and unorganized industrial development. But first and foremost they pose a problem of a socio-political nature, which means that we should need much more time than we have available today if we were supposed to be tackling the issue of their geo-political role and the effects of major world events on these countries now and in the future.

Let me say right away that I agree with Mr Bersani's view that the Lomé Convention should be regarded in a way as the central pillar of the Community's cooperation with developing countries. Our position on this, however, should not prevent us from having dealings with other countries, which explains the Community's response to the ASEAN countries and others such as those of Latin America, which have already been mentioned.

We approve of what the Commission has in mind: the opening of an office in Bangkok to represent the Community; contact and perhaps cooperation between this office and other bodies there; changes and improvements to the system of generalized preferences; investment aid, leading in all probability to permanent agreements on the supply of raw materials and joint ventures for industrial development.

I think, too, that Mr Haferkamp came up with a good idea when he said that the European Confederation of Trade Unions should be put in the picture as regards these activities. We have to consider these new prospects for work in the Community by getting away from the attitudes of the past to the new approach of the modern world which gives equal prominence to the spirit of enterprise and initiative, the desire for profit, the skill of managerial organization, and the requirements of cooperation in keeping with the times, of justice and especially of the prompt understanding of problems by the trade unions. In the context of the complex problem of the Community's relations with the countries of South-east Asia, we must not forget that this corner of the globe experienced the trauma of Japanese invasion and occupation before and during the Second World War, followed by the withdrawal of American forces from the hapless lands of former French Indochina, with all that this meant in terms of destabilization, upheaval and — let us admit — in terms of tragedy. A few weeks ago Mr Johnston put forward our views on the

problem of refugees from Vietnam and Cambodia. In tabling questions to the Commission and to the Council of Ministers, the Liberal and Democratic Group was only voicing the feelings which these tragic events have aroused among the general public in our countries. We had hoped that events of this kind would never again occur in the history of mankind, that the world press would never again carry stories of ships and leaking boats laden with refugees whom no one wanted, or stories of ships forced to anchor outside ports that refused to take them. It is like going back to the awful sufferings of the Jews portrayed in 'Holocaust', or to the most shameful pages of history experienced by the people of Europe and the Second World War. We had hoped that all this would never occur again, but our hope was in vain and there is no point in making any accusations. Action is what counts now, and our countries, renowned for their national traditions and with a deep sense of responsibility, must respond to these events which the world has produced.

We cannot stress enough how urgent the problem is. The ASEAN countries we are discussing here are the ones most affected by the refugee problem — we need only look at Thailand, for example. These countries need some tangible expression of solidarity to encourage them in their efforts and to banish their economic and social fears. But, as I said — and I am getting to the end, Mr President — if some of the precedents have been bad, there have also been some positive precedents in our relations with these countries. I am thinking, for example, of the relations between one of these countries and the Netherlands, or of those between another ASEAN country and the United Kingdom. Obviously, the age of empires and colonies is over for good, but the legacy of language, culture and mutual understanding which history has left provides a basis and an opportunity for cooperation, similar to the situation in English or French-speaking countries in other continents. These precedents may also be useful in this case.

One last comment: the ASEAN group lies in an area where four great religions come together with Islam, Buddhism, Hinduism, and Christianity in the Philippines. This is of special importance today when you consider the religious upsurge which is occurring in other countries. The events in Iran spring to mind. This aspect, too, must not be ignored in these countries which we hope will have an untroubled economic, social and spiritual development. Here, too, the Community must give evidence of its concern.

To close, let me say that we support the Commission initiative and applaud the careful attention it has devoted to these problems. We are happy at the agreements reached or likely to be reached by the Council of Ministers with the responsible ministerial and political bodies, and we welcome the decision on a cooperation meeting to be held in Jakarta. Lastly, we trust that Parliament's opinion expressed here today will

Cifarelli

help to provide the Community's representatives with the right encouragement to give due and careful consideration to this problem and its possible repercussions. We are dealing with 280 million men and women who are striving for equal rights. Let us, as a Community of citizens with equal rights which are the product of a long history, extend a friendly and welcoming hand to these people who are the product of an ancient and different civilization.

President. — I call Mr Scott-Hopkins to speak on behalf of the European Conservative Group.

Mr Scott-Hopkins. — Mr President, I welcome what has been said by the President-in-Office of the Council and by the Vice-President of the Commission concerning the advances which have been made in strengthening the ties between the ASEAN countries and the Community. I think that anything we can do on the political side to encourage and strengthen the political stability of this area of the world, which is particularly volatile — as both the Council and the Commission know — is widely to be welcomed.

It is interesting to note that Mr Haferkamp spoke of the favourable conditions in this part of the world for investment. Yes, it is true; but it depends to a very large extent on political stability, and he knows as well as I do that both in Thailand, where I happen to have been in November of last year, and in Indonesia the situation is somewhat volatile and anything we can do politically to help the stabilization of this area will be to our advantage as well as to theirs and will encourage investment.

Turning to the economic side — I have only three short points to make, Mr President — I come into direct conflict with what has been said by Mr Haferkamp.

We are talking about the general system of preferences which exist to help the ASEAN countries to export to the Community. That is fine. But as he knows, several of those countries, in particular Malaysia, had in previous years special agreements with the United Kingdom under the Commonwealth agreement. The same thing applies to Singapore and, I imagine — though I have not got the details of it — to Indonesia, where Holland is concerned.

Now there is absolutely no doubt that these three countries feel extremely hard done by because of the adverse effect on their exports to the Community and to the United Kingdom of the increased preferences which the ACP countries receive; and there is no doubt that this is true. They are penalized in their traditional exports to Europe and to the United Kingdom in particular. The case of pineapples was mentioned by Mr Haferkamp. That was one of the facts given to us most particularly when I was in the delegation which was led by President Spénale a

couple of years ago to Malaysia. The exports from this area to the European Community are penalized in relation to the benefits received by the ACP States. I am not saying for one minute that one should reverse that situation and give them increased preferences; I think that is unacceptable politically. But I do ask both the Council and the Commission to re-examine this position. Surely parity of export preference — or import preference, if one wants to put it that way — could be granted particularly to the old Commonwealth countries and those countries which have special ties with Europe, such as Indonesia, so they could be on all fours with the existing ACP countries where the traditional exports from this area to Europe are concerned. I think that is an important point.

Turning to the next point, Mr President, I am very glad to hear that Mr Haferkamp has maintained his position, that the Community regional office will be set up in Bangkok. I am sure this is a wise decision and it is something that the Thais were particularly anxious should be confirmed when I had the pleasure of meeting their government in November last year. There was some talk about its going to New Delhi, but I am glad that he has resisted this pressure and I am sure that Bangkok is the right place.

Lastly, Mr President, I think that one of the important things that we can do is to encourage more and more interchange at parliamentary level and, indeed, at all levels. The Commission and the Council are holding meetings, as we have just heard from the President-in-Office of the Council. I welcome that, but there should also be exchanges at parliamentary level, as was mentioned by Mr Jahn when he opened the debate this morning. Anything we can do to encourage an exchange of parliamentarians between the ASEAN countries and ourselves is greatly to be welcomed. I hope that moves can be made by this parliament after 7 June to strengthen the ties and to invite those from this area to come over here and freely exchange views with us in the new parliament.

President. — I call Mr Kaspereit to speak on behalf of the Group of European Progressive Democrats.

Mr Kaspereit. — (*F*) Mr President, in the context of ASEAN we are once again faced with the presence of the United States and of Japan. In the case of the United States this presence is currently more political than economic in spite of Asean's wish to get that country to liberalize its trade policy (countervailing duties, quotas) and to step up purchases. Japan's presence is economic, it being the most important customer of most of the ASEAN States. As you know, ASEAN imports from Japan in 1976 amounted to 5 994 million dollars, as against 2 882 million EUA for the Community in 1974, while ASEAN exports to Japan amounted to 7 238 million dollars, as against 2 944 million EUA for the Community.

Kaspereit

Owing to the fact that following the accession of the United Kingdom the ASEAN countries no longer benefited from the system of Commonwealth preference, and owing also to the successive reduction in customs tariffs negotiated within GATT and the inadequacy of the system of generalized preferences, the Community thought it opportune to propose to the ASEAN countries in 1974 the signing of a commercial agreement similar to those concluded with India, Pakistan, Bangladesh and Sri Lanka. At that time they turned this proposal down, preferring to act jointly as a regional group. Since then matters have progressed, thanks to the efforts of the Joint Community-ASEAN Study Group, and today these countries appear ready to have closer ties with the Community. An outline cooperation agreement of the Community-Canada type which offers great flexibility, appears to be the best way of developing our relations. Let us not forget that Indonesia, Malaysia, the Philippines, Singapore and Thailand supply some 75 % of the world's rubber, palm oil, tropical wood and copra exports. At the first Community-ASEAN Ministerial meeting, last November, Mr Kusumaatmadja (Indonesia) outlined the mutual beneficial effects of bringing the two economies closer together. 'We hope', he said, 'that Europe will cooperate with ASEAN in processing its raw materials. With its technology the Community is well placed to participate in industrialization programmes, and in return the Community will be assured of a stable and regular supply of commodities and European industry will benefit from a relatively inexpensive and efficient workforce'.

That is all very well, but one cannot help wondering if there is not a risk that the Community will suffer from such industrial development and local processing tomorrow, as Japan does today. Let me remind you, Mr President, that ASEAN will be the first group of States to benefit from the transformation of Japanese industries which are no longer competitive. The textile industry is one example, and large-scale new investments by Japan in South-east Asian textile production is not proof of this.

Everybody knows that most goods manufactured by Japan in Asia are re-exported either to the West or to Japan itself. A survey of sales of Japanese subsidiaries in Asia shows that in 1975 53 % were sold in the host country, 20.5 % in other countries and 23.3 % in Japan! However, since 1977 the increase in re-exports to Japan of goods manufactured abroad by Japanese companies has become a threat to domestic Japanese production itself, forcing a number of Japanese industries to cease production in sectors which will henceforth be supplied by cheap foreign manpower. Could this not happen in the Community too? I am thinking especially of the textile sector and of the system of outward processing which applies there.

Finally, can the Commission and Council tell us if it is really intended to introduce a 'Stabex' system for

ASEAN? Is it really wise to consider applying a preferential arrangement to Singapore, when we have just adopted voluntary restraint arrangements in respect of textiles from that country? Is that not going too far? Contrary to what Mr Scott-Hopkins has just said, I find it unacceptable to introduce a scheme for ASEAN which is as favourable as that which exists for the ACP countries, to whom we should continue to give the privileged treatment we have pledged ourselves to give. Would it not be better to regulate the question of commodities on a world scale? Have the Japanese decided to introduce such a system?

Those are, Mr President, the questions which I wished to pose on behalf of my Group.

(Applause)

President. — I call Mrs Dunwoody.

Mrs Dunwoody. — Mr President, if there are any questions that we should be asking ourselves in this Chamber this morning, I think they may be rather different from the ones that have just been posed, because if there is one thing that worries me about both the replies and the discussion we have had so far it is the slight air of smug self-satisfaction. I would have welcomed a more honest discussion of the real problems concerning the Community's relations with the ASEAN countries, because I think that we are in danger of committing, as always, the same sins. This Community is entirely ambivalent in its attitude towards underdeveloped countries in the Third World. On the one hand, it is very prepared to talk to them about exploiting and importing raw materials for the use of EEC industries. On the other hand, as soon as it is faced with any kind of competition in its existing manufacturing or semi-manufacturing industries it holds up its hands in horror and says, of course we have no intention of trading with you in those things which are politically sensitive. Now at some point or another we are just going to have to discuss this openly. Why do we imagine that we can come here and say, it would be very nice if we had a trade agreement, if we had an office there to discuss the banking arrangements, but of course we are not actually going to offer correct trade quotas or effective trade negotiations to these countries, because if we do it will get us into considerable difficulty with our own internal industries. You know, it is all very well, with the greatest respect, for the Vice-President to come here and say: Ah, what is important is that the trade-union movement should understand its responsibilities. I would say to the Vice-President, and I am sure he knows this, that the trade-union movement knows its responsibilities very well. It has a responsibility which transcends its involvement with trade unionists inside the Community. It has a responsibility to see that the workers in these ASEAN countries work decent hours, get decent pay and are given a modicum of trade-

Dunwoody

union organization to protect their own interests, that children do not work long hours in factories and even that the minimum conditions of the ILO are actually complied with in ASEAN factories. What is the Community doing to insist upon a conference in the ASEAN States of the free trade-union movement? Ask our trade unionists to come, talk to them, see what support they can give and put some money behind that: then you will be talking in real terms about what is possible for the Community to do. And you know, frankly, we can no longer continue to talk with two voices on this particular subject. In the trade negotiations within GATT and those organizations that are dealing with politically sensitive subjects like textiles, we seek always to limit the import of semi-manufactured and manufactured goods to the Community. But on the other hand we say to these same countries. You must protect those of us who put our risk investment into your industries, because we have that right. We do not have any right at all in that matter. Many of the factories established in ASEAN countries are established with occidental money to obtain oriental cheap labour, and it is time we said that that puts a responsibility on the Community.

Many of us, when talking to these same countries, manage never to mention to them the whole question of their own political systems. The Community are going to support a conference in Djakarta, in a country where there are still thousands of trade unionists held in prison without trial, without any interest taken in their fate, and we do nothing about it whatsoever. What we seek to do is apparently to support those governments who treat their own people in a way which would be totally unacceptable in the Community, even with our most reactionary governments. And what I say to the EEC is this, particularly to the Commission: when you establish an office, as you intend to do in Bangkok, you give tacit support to whatever goes on in that country, because you are saying, in effect, we believe that this is a suitable place. Not so long ago I and many of my colleagues raised with the Commission, in very plain terms, the fact that we have no office in Delhi, we have no involvement with India, one of the poorest countries of the world, and yet we are seriously talking about extending our trade negotiations with all sorts of other countries. Why is the Commission not prepared to be honest and say, there are certain areas we do not want to have too much to do with, because they present us with too many problems, both economic and political; but while we can have nice, gentle trade talks which never get down to a proper negotiation of the real economic problems, then we are prepared to cooperate? That is the reality of the EEC's attitude to Asia, it was spelt out for you this morning: while you have raw materials to sell us, and while occidental firms can benefit from those raw materials, we are happy to trade; but you just begin to compete with us in the things we produce, and we shall instantly apply a safeguard clause.

Mr President, I finish on this note. If there is a responsibility in this Parliament, it is that occasionally we should honestly say we are totally ambivalent in our trade attitudes, because we are not prepared to be honest, even with ourselves, let alone with our partners. When we are, then we shall begin to talk in sensible and meaningful terms.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) The Commission is grateful both for the advice given and the criticisms made during this debate. We are, however only at the beginning of a long and important road towards cooperation, the political and economic significance of which is generally appreciated. I will touch briefly here on a few points. Mr Scott-Hopkins is right when he draws attention to the fact that there are differences in the preferences. That is well-known. The ASEAN States, which are amongst the ACP countries, have pointed this out on various occasions. However, the extension of the ACP system to all is not a subject of our discussions. You all know that. However, there is the possibility, by means of the cooperation agreement and what we can include in it establishing a special relationship with ASEAN, which will certainly remove some of the problems which have existed to date because of our special relations with ACP countries.

Mrs Dunwoody referred to some very important problems which in my opinion — and this she probably meant also — affect not only relations with ASEAN. She pointed out that the Community very often holds successful negotiations, but that difficulties suddenly arise when the countries with which we are negotiating want to export certain finished or semi-finished products to the Community. She referred in particular to the textile industry. That is true. We have tried to solve these difficulties, in particular in the textile area, within the framework of the Multifibre Arrangement by means of numerous bilateral agreements. We have reached agreements under which our partners have been denied, for a period of five years, the degree of access to our market which they would have wished. There is no other way, our own situation being as it is. However, these agreements do guarantee our partners a certain degree of access to our market for a specific period. I believe that this is in their interests and also in the interests of the employees in those of our industries affected.

I agree fully with what has been said here in respect of investments in such areas. However, here we should not overlook the fact that ASEAN itself is an enormous market for the production of consumer goods in which European firms participate by means of investments. I believe that this is an aspect of development policy which we often lose sight of.

Haferkamp

As regards the remarks concerning a trade union conference and the like, I have already made a proposal on this. We have nothing at all against such an initiative. However, I must again point out that this cannot be an isolated measure, however important it may be. Indeed in recent months the Commission has attached particular importance to supporting the initiatives of the ILO as regards the need to maintain the international standards established by that organization. In our view this is the best way to bring order into these social elements throughout the world. For this very reason we also need the active cooperation and support of the unions.

Mrs Dunwoody criticized the fact that we were going to Bangkok and claimed that we are neglecting India. That is not so. But we cannot be everywhere at the same time. She suggested that we thought there might be too many difficulties involved in India and that for that reason we were backing out. That, too, is inaccurate. It is simply that the Community is not in a position, indeed would never presume to try to solve the problems of that subcontinent. On the other hand, however, I am gladly prepared to answer the honourable Member's appeal for honesty. Where India is concerned, we have not to date had many opportunities. We did have one quite important opportunity — and I now return to textiles — not to close our markets too much to Indian products, and we know what great efforts the Indian Government is making, particularly in the textiles sphere to provide bread and work for the people, not through large-scale manufacturing, but through handicrafts. We have largely had to reject India's request to grant greater access to the markets for these products, mainly at the insistence of one government, which the honourable Member knows better than I. That is one difficulty with which we were confronted. I should be very grateful if we — to repeat what you said — could be honest here. It is not all true that we are dealing with ASEAN solely because they have commodities and energy.

Nor is it at all the case that when we receive commodities, which we need since we do not have them here in Europe, this benefits only the firms which produce or transport these raw materials or process them here. We require these commodities and energy for the whole population. Need I remind you of the energy situation, which is not just the concern of the oil companies but a problem for all of us, because when we have no commodities then we all suffer and this is why such international cooperation is so important, both here in the Community and also in the ASEAN countries.

(Applause)

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, *President-in-Office of the Council.* — *(F)* Mr President, the debate which has now begun as a consequence of the Ministerial conference of November last shows, I believe, a very wide measure of agreement on this issue among the three Community institutions, and I consider this encouraging for the continuation of our discussions in this area. The advantages of closer ties between Europe and ASEAN have been demonstrated, I believe, both during the Ministerial conference and here this morning.

Europe and ASEAN have thus decided to develop closer relations on the basis of equality and respect for their mutual interests, and in order to ensure the political and the economic stability of both regions. This decision aims at the implementation of the commodity agreements concluded during the Conference on International Economic Cooperation, and in this connection Mr Jahn was right to recall that the economies of the Community and ASEAN are perfectly complementary, ASEAN being a large reservoir of primary materials, while the supply of these materials is a constant concern of the Community. Indeed, studies are at present being carried out with all the developing countries, including those of ASEAN, on important products such as rubber and jute. In our view, the conclusion of long-term commodities contracts necessitates contacts between the undertakings concerned, but at Community level we must not refrain from taking an interest in such contacts; on the contrary, we should encourage them. I for my part welcome the organization of a new meeting in Jakarta, following the meeting in Brussels.

Trade should also be encouraged by maintaining free trade, in particular for manufactured and semi-manufactured products, by improving the system of generalized preferences, by studying a system of stabilization of export earnings for commodities, by encouraging investments and by extending protection agreements for such investments, and finally by arranging the necessary transfers of technology and by according financial and technical aid to the development programmes which are beginning to be drawn up.

I believe that we should try to use these various means and tools of economic development, but should do so bearing in mind always the Community's priorities — and I am grateful to Mr Bersani and Mr Cifarelli for drawing the Assembly's attention to the very particular and specific character which we decided to give to and maintain in the Lomé Convention. I believe that this was in fact a fundamental choice on the part of the Community, and we must be very alive to the disquiet which any moves likely to destroy the specific character of these agreements could cause among the signatories to the Lomé Convention. But it is true also that such a Convention must be regarded as truly exemplary of what aid by the industrialized

Bernard-Reymond

nations to the developing nations should be. That in no way, however, implies abandoning other regions. Moreover, on the lines of the large structured agreements which Mr Bersani spoke of, I am sure that we will find the right balance between maintaining our commitment and renewing the Lomé Convention, and the attention which we must necessarily pay to regions such as ASEAN.

Mr Kasperit and Mrs Dunwoody asked some interesting questions — interesting because they are delicate and difficult — and you may be assured that the Council will have their comments constantly in mind when it studies this type of issue in future. Mrs Dunwoody spoke of ambivalent attitudes. I, for my part, would call them balanced rather than ambivalent. Indeed, I believe that we must be aware of the balance which must be maintained between, on the one hand, the generosity *vis-à-vis* these countries, which is not always, as Mr Haferkamp said just now, disinterested on our part, and on the other hand the protection of certain sectors of our national economies so that these can undertake the restructuring necessitated by the international economic crisis which has dealt such a staggering blow to our economies.

It is against this background and with the aim of achieving a proper balance both between the various regions of the world and between developed nations such as Europe and the developing countries, that we intend to plan and to act, particularly since it was recognized during the Ministerial meeting last November that the convergence of views which emerged there ought to lead to positive action to promote peace, social justice and respect for human rights in the relations which we will certainly establish between the countries of Europe and those of ASEAN.

President. — The debate is closed.

7. Textile imports into the Community

President. — The next item is the oral question with debate (Doc. 595/78), tabled by Mr Cunningham on behalf of the Committee on Development and Cooperation, to the Council:

Subject: Implementation of bilateral agreements on textile imports into the Community

Could the Council report on the implementation so far of the bilateral agreements on imports of textile products from low-cost producers, and their effect both on the Community market and the supplying countries concerned?

I call Mr Cunningham.

Mr Cunningham. — Mr President, I shall certainly do what I can to make a contribution to saving time on this subject. If my colleague, Mrs Dunwoody, had been looking for a subject to illustrate the point that she was making in her characteristically vigorous contribution to the last debate, she couldn't have chosen a better one than the question of textiles: the

question of textile production within the Community and the conflict between the interest of that and the interests of the developing countries, particularly the low-cost producers of textiles. I must say that the Community would be in a better position to argue this kind of subject without blushing if in the field of agriculture the Community were not one of the most viciously protectionist organizations in the world. I mustn't go on on that subject now.

We have had the bilateral agreements between the Community and the thirty or so producers of low-cost textiles for rather more than a year, and the Committee on Development and Cooperation, for which I am speaking, feels that it is time to have at least a brief debate like this on the subject to ensure that Parliament, and even more the Council and the Commission, keep this subject under review. It was intended when these agreements were brought into force that they should be temporary and designed to provide an opportunity for Community industry to adapt itself to the natural pattern of trade which ought to exist. Now this subject presents the classic dilemma, mentioned by Mrs Dunwoody, between protecting Community industry and doing what we would otherwise wish to do for a large number of developing countries. There is no point at all in the Community's spending money on financial assistance to developing countries if it is not prepared to accept the products of the industry of those countries. In so far as that requires, over a reasonable period of time, an adjustment of Community industry, we have to take the necessary steps to ensure that that adjustment takes place. The justification advanced at the time — and the only justification there can be for the bilateral agreements which were concluded, involving as they do severe restrictions on the import of textiles from the low-cost producers — was that we needed a period of time to cope with what would otherwise have been severe disruption — not just displacement — in the textile industries of the Community, and particularly in those very concentrated areas where in a number of our countries the textile industry has traditionally been sited. So we start from the position that the bilateral agreements are intended to be temporary, and we must not slip into the assumption that the restrictions on imports set out in those agreements should become long-term.

There is a risk, of course, that institutions of the Community — and I am thinking of the Council and the Commission — will allow their eyes to drift from this subject during the four years or so of life of the agreements. The purpose of the Committee on Development and Cooperation in putting this question on the order-paper for today was to try to ensure that does not happen. In view of the nature of these agreements, we very much want the Council, and not just the Commission, to keep an eye on how these agreements are being implemented and what the consequences are.

Cunningham

Therefore, I would put these following separate points to the representative of the Council. We would like them to look at the development of new products, because there can be in this field new products emerging not fully anticipated at the time the bilateral agreements were concluded. There can be shifts in the pattern of production, both among the low-cost producers and of course within the Community. There can be parts of the Community which were extremely dependent on textile production at the time the agreements were concluded and which are now no longer so dependent upon textile production. Secondly, we want the Council to keep an eye on the balance of interests as between the low-cost producers and the Community. That, too does not remain static over a period of time. Thirdly, we want the Textiles Committee — the existence of which was recently provided for in internal Community regulations and, I should say, confirmed after temporary arrangements last year — to be convened not only when there is a complaint from either a Community Member State or from a low-cost producer, but also from time to time in order to review the operation of the agreements. Fourthly, we would like this Parliament to ensure that every year or so there is an opportunity, at rather greater length than we can have this morning, to review the operation of the agreements.

As for the Committee on Development and Cooperation itself. I can certainly assure Parliament that that committee will be watching developments very keenly to ensure that the Council and the Commission do not lose sight of this subject and do not regard these allegedly temporary agreements as ones the substance of which is likely to continue after their intended lifetime.

In response to the Chair's request that we should keep our speeches as brief as possible, these are the points which I wish to lay upon the mind of the representative of the Council of Ministers, and I look forward to his reply.

IN THE CHAIR : MR SPENALE

Vice-President

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Mr President, in the context of the decisions adopted by the Council at its meeting on 19 and 20 December 1977, the Commission has negotiated agreements on trade in textile products with 25 low-cost supplier countries signatories to the Arrangement regarding international trade in textiles (Multi-fibre Arrangement). These agreements, scheduled to last five years, have been in force since 1 January 1978.

In addition, the Commission negotiated, for 1978 only, arrangements of a more or less formal nature with six Mediterranean countries linked to the Community by preferential agreements (Spain, Greece, Morocco, Portugal, Tunisia and Turkey) with the aim of establishing more control over exports from these countries. At its meeting on 18 and 19 December 1978, the Council concluded that it was desirable, in the case of the preferential Mediterranean countries as well, to aim for multi-annual arrangements, if possible with all these countries. Such arrangements offer more guarantees and greater stability for commercial operators, and obviate the need for a continuous negotiating process. Negotiations on drawing up such arrangements have already been completed with some of these countries (Spain, Greece, Portugal, Morocco). They are continuing with certain other preferential Mediterranean countries.

Broadly speaking, the general objectives of these agreements and arrangements are, as far as the Community is concerned, to ensure the orderly development of all textile imports from low-cost supplier countries and keep them within limits acceptable to the Community industry; but they are also, in return, an attempt to order the development of the supplier countries' exports, to guarantee them security of access to the Community market within the framework of the new agreed objectives. Security of access to the Community market is of great importance to these countries, and this explains why a number of them have agreed to conclude negotiations with the Community. Generally speaking, the Community's objectives may be considered to have been achieved.

Certain management problems which came to light in the course of 1978 in implementing the bilateral agreements have been the subject of consultations between the Commission and the countries concerned. In addition, the Council has on several occasions discussed the problems raised by imports into the Community of various textile products originating in some of the preferential Mediterranean countries in view of the need to comply with the overall import ceilings laid down by the Council in December 1977.

It will not be possible to make a detailed analysis of the effects of these agreements and arrangements both on the Community market and the supplier countries' economies until the figures for all 1978 trade in textile products are available; these should appear during March 1979. It should be noted in this context that some goods from the exporting countries dispatched at the end of 1978 may arrive in the Community only in the coming weeks.

Bernard-Reymond

I would add, finally, that the management of the bilateral agreements and in particular the surveillance of imports are the Commission's province. It is the Commission which coordinates and analyses the trade statistics. Consequently it is the best qualified to give the honourable Member a detailed assessment of the functioning of the agreements.

President. — I call Mr Vandewiele to speak on behalf of the Christian-Democratic Group (EPP).

Mr Vandewiele. — (NL) Mr President, this debate gives us an opportunity to review the developments which have arisen in the past few months from the bilateral agreements on textile imports into the Community. I have listened with interest to the comments of the President-in-Office of the Council, and note that our question has been tabled prematurely. The President-in-Office has said that these developments can only be analysed on the basis of reliable statistics, but that these will not be available until March at the earliest. I should therefore like to address my remarks more particularly to the Commission, and not just to the President-in-Office of the Council.

A few months ago I presented a report on this subject, and I feel that Parliament should maintain its position with regard to protectionism. We are in favour of flexible short-term measures, but they should not lead to trade barriers around the Community, as this would be in conflict with the fundamental aims of the Community and the Treaties. In my report I contended that while protectionism may appear a tempting solution to our present difficulties, it will never be generally accepted by this House. We believe that the Community is not only politically obliged to safeguard employment in the Member States, but that we also have a moral duty to help the real developing-countries to overcome their poverty by importing goods which their industrial progress enables them to produce. This brings us back to the question of our ambivalent attitudes. I was interested to hear Mrs Dunwoody's comments on this point. We shall just have to accept certain cuts in imports, although, compared with the United States, we are extremely generous. We want to introduce short-term measures, but we also want to help the developing countries to improve their lot by importing goods into the Community.

In connection with this I would ask the Commission whether we agree that we are referring here more to the poorest developing countries. Hong Kong, for example, with its 11 million inhabitants, exports more clothing than all the EEC countries put together. Obviously, the situation in Hong Kong cannot be compared to that of the poor developing countries, as we define them. We are therefore in favour of helping the developing countries, but first and foremost the poorest of these.

Mr President, I should now like to comment on an important matter which is not yet sufficiently well-known.

I am referring to the Twelfth General Report, which mentions the textiles policy; in July the Commission submitted a document to the Council concerning the sectoral policy on textiles and clothing. This document contained a number of proposals concerning, among other things, structural reorganization, taking account of the talks between both sides of industry in the sector in question. I should like to ask the Commission whether the Council has devoted any attention to this important issue. Has the process of implementing certain suggestions begun? The commission document is extremely important, but on some points — and I am convinced of this — it poses serious problems for the trade unions.

I should like to put another question to the Commission and Council. Will account be taken of the reports already completed? Parliament is unfamiliar with these, but they involved both sides of industry and were drawn up by the Economic and Social Committee. Northern France, for example, is at present facing appalling difficulties in the steel sector. Everyone agrees that structural reorganization will have to come, but people are talking about social unrest and the loss of thousands of jobs — and that is no exaggeration. If we have to go ahead with structural reorganization in the textiles sector in the next few months, we shall have to draw a line somewhere. Three or four months ago I also asked the Commission and the Council whether they were prepared to hold serious discussions, in particular with the employers' and workers' organizations concerned. Ultimately it is they who will have to explain to workers in condemned factories that their plight is unavoidable, otherwise the whole industry will have to shut down. We must reorganize our textiles industry, although I don't want to get emotional, and I am well aware that we are all anxious about this problem. Some of us, however, regard it in cold statistical terms; but there are also those among us who are more familiar with the problems of workers and who experience these problems at first hand.

On Saturday evening there was a programme on Belgian television about the crisis in the textile industry. A certain Miss Hemapatirani from Sri Lanka stated in an interview that she earned BFR 150 a week and that her family was very pleased with her new income. She was thankful to be able to earn this amount in the textiles industry. In view of this, and of the fact that, at meetings of our trade unions and national parliaments we have to admit that this is the kind of earnings we are up against in this sector it is hardly surprising that Mrs Dunwoody is so upset about the difficulties and unrest in her own country.

Vandewiele

We all know the problems that will arise if we are called upon to defend in the streets what we have discussed so eloquently — and sometimes with cool detachment — in this House. The Commission should therefore join us in asking the Council — not aggressively, but in a spirit of mutual cooperation — for greater powers and resources. We are always talking about the Social Fund and the Regional Fund, but these resources are far too small to implement the wishes expressed in our grandly-worded resolutions. I therefore appeal to the Commission and Council to answer our question not by simply saying that they intend to wait and see the statistics, but by showing their concern for the difficulties we are all facing in Europe.

President. — I call Mr Normanton to speak on behalf of the European Conservative Group.

Mr Normanton. — Mr President, I am delighted to be given the opportunity of rising, though briefly, to contribute to this particular debate, and I think Mr Cunningham is to be congratulated upon both his timing and his choice of subject for such a debate.

There are a number of points which I feel ought to be raised. I think we ought firmly to place on record once again, not hypocritically but with complete sincerity, the firm commitment of this House to the expansion of world trade, in our own interests as well as the interests of the developing countries. If our actions in any industrial or commercial sector were legitimately and honestly to be interpreted as promoting the acceptance of protectionism, then I think we should rightly be indicted by the world. That is not the case, nor should it be, nor will it be as far as my interpretation is concerned. Protectionism, though is one thing, but the regulation of trade with the object, of ensuring progressive smooth and developing growth is a very different thing altogether. And that is what I believe this House wants; that is what I believe we must work to achieve, and that must be the basic principle upon which we approach the whole question of policies affecting the textiles industry of the Community. If we want to help the poorer areas of the world, then we must help them to help themselves, and no doubt we must accept that that means helping them to engage in trade, on fair and on equal terms. It is the absence of the quality of terms upon which trade in textiles has been negotiated which is a point I would stress very strongly upon the Commission and the Council during this debate.

The multi-fibre arrangements has unquestionably been an agreement concerning imports into the Community. It has not been an agreement to promote an expansion of two-way trade, but to regulate imports. The Commission and the Council, and indeed the whole of Europe, must concentrate its attention in future on equality of opportunity of trade

in textiles, which, in itself difficult to negotiate, would certainly be a contribution to helping to solve some of the problems of the textiles industry.

The next point I would make is that the Commission has certainly negotiated our textile agreements with great skill and with great determination. This House should give credit where credit is due. The Commission is to be congratulated upon the courage which it has shown. Some may call it ruthlessness in certain cases, but it was a ruthlessness, if that was the term, which was fully and completely justified in one or two particular cases around the world. But the agreement must be kept under constant review. It is now fifteen months since the agreements, the multifibre arrangement and the whole process of bilateral treaties and agreements, were either finalized or brought near to finality. It therefore behoves the Commission to initiate an immediate review, of what has happened in the year which has passed and of the conditions which have changed — and they are changing all the time — and to do this in collaboration with industry within the Community and in full, frank discussions with the Committee on External Economic Relations and the Committee on Economic and Monetary Affairs of Parliament. It is not sufficient to deal with the Committee on External Economic Relations alone, because the Committee on Economic and Monetary affairs is concerned with the industrial aspects of Community policies.

The next point I would make is that the basis on which the Commission entered into these bilateral agreements was that the agreements would be for a limited period of time. The terms generally laid down a period of about four years, and stipulated that the objective of those negotiations was to facilitate and indeed encourage and stimulate the structuring of the textiles industry of the Community a term which, as we have heard said from many quarters already, sends a very, very horrible shudder down the spines of tens of thousands of men and women who face the threat of unemployment. If we fail to recognize this we are making a very serious political misjudgment. It is not a matter of protectionism, but we must recognize that we are dealing here with men and women and their future existence. We should not commit ourselves to give any single sector an easy-going future of permanency but we must recognize that if there is change it must be carefully thought out and every help must be given to facilitate it with a minimum of pain.

Bearing in mind, Mr President, your request for brevity, may I make my last point, which is that the textiles industry has felt for decades that it has been a pawn in the game which is leading to the expansion of the interests of modern, advancing high-technology industrial sectors. The sectors of growth. I have still to find any political leader or shrewd statesman who can point to any major sector of European industry and

Normanton

say that is a real growth industry as far as employment is concerned. Until the economic level of activity of Europe as a whole and world trade in general takes off and resumes the same pace of increase as it had prior to 1973, I earnestly hope this House will recommend care and extreme caution when it comes to making painful decisions which will affect any major sector employing men and women in this Community.

(Applause)

President. — I call Mr Soury to speak on behalf of the Communist and Allies Group.

Mr Soury. — *(F)* Mr President, I am going to take quite a different approach from the author of this oral question on textile imports into the Community, a sector which is one of the most affected by the redeployment policies of the huge multinationals, which are not a favourite topic of discussion in this House. Despite all the efforts to evade the issue, this is really the crux of the problem. What it comes down to — and it is no secret — is that the conglomerates which dominate this sector are now exporting their capital to countries where labour costs are often less than a tenth of the level in the Community. How on earth can our firms — the ordinary firms — compete in these circumstances?

By encouraging this export of capital, often with aid from the public purse, the Member States of the Community have allowed the large multinational companies to set up a system of exploitation which is worthy of the most glorious days of the colonial past, and where low wages go hand-in-hand with inhuman working conditions. What this means is that redeployment by the large textile groups satisfies only their greed for profit, and does nothing for the developing countries. At the same time, the new conditions they impose on the production sector are crushing the traditional firms in the Community which have not been taken over by these groups.

In the light of this situation, we want to see measures to protect us against these large groups and to stop them from shifting their factories about in order to increase their profits.

There are some people who claim that the Community textiles industry is dying. The same thing is being said about steel and shipbuilding. Soon, they will be talking about the footwear industry, which is already in a bad way. Then will come the turn of the data processing and car industries, to say nothing of agriculture. And there's no reason why it should end there, the fact is that we cannot go on like this. What is more, a leader of the French textiles industry said recently that there is a future for this industry in France and in Europe, provided it is modernized. He could have added that modernization has been held back by the nineteenth-century attitudes of the bosses,

with their exploitation of the workers, especially women.

I also want to remind the House — because this fact is not always brought out — that not all our textile imports come from the distant countries where the multinationals have found their El Dorado. Take the case of France: 73 % of our textile imports come from other Community countries. What are things going to be like when we have Greece, Spain and Portugal in the common market? Already the Commission has agreed to accept increases of 10 to 15 % in imports from these three countries for 1980 and 1981. When these countries join the Community, the large concerns will have an even greater opportunity to shut down factories at will and cart them off elsewhere, thus worsening the unemployment situation, especially in France, bordering as it does on Spain.

For the sake of the workers, and in order to protect the small and medium-sized undertakings in the sectors, we once again categorically state our opposition to this redeployment policy which has been drawn up with the help of the Commission. The workers in this sector, like the workers in the steel and shipbuilding industries, are fighting on a broad front to resist the shutting down of their factories and the ensuing misery. This struggle has already borne some fruit, and it must have our full support if it is to save the textiles industry, as well as other sectors of industry which are threatened by so-called restructuring.

President. — I call Mr Brugha to speak on behalf of the Group of European Progressive Democrats.

Mr Brugha. — Mr President, I would first of all like to make two self-evident points. One is that any sensible plan must relate not only to the volume of production but also to the capacity to become absorbed by the Community market. Secondly, low-cost wages have to be taken into account when you are dealing with goods from outside the Community.

So far as my country is concerned, we are unfortunate in that the textiles industry is a substantial part of our economy, but in relation to Europe it is very small. A little over a tenth of the working population is engaged in the textiles industry, and unemployment figures for Ireland in both the textiles and clothing industries now show that 11 500 people are out of work. In the last year alone, a total of 1 500 jobs have been lost. Not only does my country have to face this situation in the light of cheap textiles from third countries, but also in the light of what has been mentioned before, the UK Temporary Employment Scheme; UK firms receiving this premium are more competitive at home and in Ireland, and this has meant a loss of Irish sales.

Brugha

I want to put a third question: we in our country are trying to reduce unemployment. But how can industrialists be reasonably assured that it is worth investing more, when world production capacities are increasing beyond the capacity of the market to absorb them and international trade barriers are disappearing? Where these doubts exist, unemployment will not only remain high, but more jobs will be threatened. The Multifibre Agreement itself will become a pointless exercise unless it succeeds in promoting and guaranteeing the security of the whole textile trade on an international basis. At a time when both the textile and clothing industries are trying to make progress following the leanest period since the war, crucial decisions have to be made to prevent the collapse of Community markets due to cheap imports. Since 1971, according to the Commission, 370 000 workers have left the textile industry and 160 000 have left the clothing trade. A further 500 000 or more textile clothing workers were last year either unemployed or working short time. In other words, more than 1 million workers have been affected.

The alarmingly rapid growth of imports into the Community can be seen in terms of tonnage. In 1974, imports amounted to 163 000 tons; in 1976, they had risen to 600 000 tons, and if no real agreement can be reached, a figure of a million tons within a matter of years is not unlikely. How many jobs will then be lost? I believe the balance in trade must be restored if export markets are not to be permanently lost. Not only must there be a will within the Community to buy Community products, but also a policy to back it up; if something is not done now, we shall soon have a textiles mountain. There is already 30 % over-capacity in the Community synthetic-fibre industry. Are we then to expect an intervention agency followed by a cheap Christmas textiles scheme?

Last May, my colleague Mr Couté spoke on the Multifibre Agreement and gave an in-depth analysis of the causes of this crisis. Quite simply, the added at the end, a solution is needed. We believe it lies in the fixing of overall quotas. Since then, Mr Normanton has prepared a report on this subject, pointing out such totally unacceptable methods as the practice of diverting goods so as to enable low-cost products from the developing countries to enter Community countries bearing the stamp of a member country of the EEC.

These are some of the problems that the Commission and Council must face in trying to set out a sane and sensible plan to maintain some stability in the textile trade within the Community and to work out some sort of fair arrangement for the Third World.

President. — I call Mr Fitch.

Mr Fitch. — Mr President, coming as I do from the North-West of England, which is a textile area, I am

sure Members of the House will understand that my emphasis will be slightly different from that of my colleague. Mr Cunningham.

Let me say at the outset that I am against protectionism in principle, although I can see that there are certain industries which do need special help. On 29 January the Department of Trade in the United Kingdom announced voluntary restraint agreements with Portugal and other low-cost Mediterranean textile suppliers. It appears that in order to get satisfactory agreements with more effective controls, the EEC has had to concede further increases in the import levels.

I welcome these new arrangements, but they provide another example of the way import constraints are being constantly eroded. A recent GATT paper has shown that Europe as a whole has a textile and clothing deficit of about 3 500 million dollars, and America and Australasia a combined deficit of about 5 000 million dollars. Asia has a surplus of about 8,500 million dollars to match.

The developing nations are not satisfied with this. In spite of their favourable trade balance, they are constantly criticizing the EEC for what they call 'protectionism'. At the same time, they are planning further expansion of their textile industries, often behind insurmountable barriers of their own. According to this month's *Textile Asia*, South Korea, which is now Asia's second largest producer, is installing a further half-a-million spindles and is extending its textile and clothing trade. The *Financial Times* has reported Korea's plans to treble its industry to become the world's number one textile exporter. Turkey is expanding its output of man-made fibre, finished fabric and clothing. This is in addition to its well-established export trade, which already accounts for 84 % of its total exports to the EEC.

I am one of those, Mr President, who welcome the new feeling of accord between China and the Community. But China is already preparing to export more textiles to the West; in fact it hopes to balance its import trade from the West by exporting textiles. Mills are being built at the moment in modern China at a very great speed indeed. It is little wonder, then, that there is much internal pressure on the United States Administration to tighten its controls on textile imports. The US textile industry is the most efficient in the world; but even a super-efficient industry needs to be safeguarded against imports based on cheap labour and assisted industries.

There is, in my opinion, a clear need for a long-term textile strategy for the EEC. We in the United Kingdom have been pointing this out for many years, but perhaps some of our advice has fallen on barren ground. The Commission recently produced general guidelines for the textile and clothing industry. This is, if I may say so, not a satisfactory document, and has been strongly criticized by trade unions. It stresses

Fitch

the international division of labour, and may result in a continuing increase in imports and a corresponding decline in employment in the Community. We should continue, in my opinion, to press for more effective antidumping legalisation.

Finally, there should be further international discussion on an equitable sharing by the Western World of low-cost imports, while the Third World should be warned — and this is a very serious warning indeed — about the dangers of their over-concentration in one branch of industry.

President. — I call Mr Inchauspé.

Mr Inchauspé. — (F) Mr President, I merely want to say that Mr Cunningham has put a very interesting question, but it seems rather unlikely that he will receive an adequate reply.

The regulation governing the imports into the Community of textile products from low-cost producers was adopted only on 27 December of last year. It is perhaps a little early to assess the effectiveness and the impact of these agreements, which were negotiated and initialled at the beginning of 1978. For myself, in my report, I supported and proposed amendments to this proposal for a regulation during the December part-session. I agree that the provisions here are significant: the establishment of a Textiles Committee, rules on origin, quantitative lists for products and countries, a double-checking system, Community surveillance of certain textile products not subject to the quota or ceiling system. But are these provisions adequate?

We must not forget that these are only provisional arrangements, in accordance with the Multifibre Agreement. Consequently, we feel it would not be a bad thing if these countries were obliged forthwith to respect fair conditions of employment and to put an end to what has been termed 'social dumping'.

There is also the question of the possible harmful effects of outward processing. Is there not a risk that jobs could be lost in national textile industries? What is more, is it not a method of getting round the voluntary restraint agreements, by allowing additional, unscheduled imports if they are not covered by the quotas or ceilings?

Finally, there is the question of a textile agreement between China and the Community. China is not a party to the Multifibre Agreement. Does this mean that Chinese textile exports are going to come within the general ceilings set by the Council for textile imports at the end of 1977, or are they going to be additional to this figure? If the latter is the case, are we not running the risk of losing all the benefits of the voluntary restraint agreements? What guarantee is there that a textile agreement between China and the Community would not become the model for agreements with other countries?

As you can see, Mr President, my colleagues and I are very concerned about the dangers of uncontrolled imports. We should like to ask Mr Bernard-Reymond, as President-in-Office of the Council, to introduce the general use of the system of automatic authorizations to forestall excessive increases, instead of acting once the damage has been done. The situation has improved, but we do not want it to deteriorate again.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Mr President, I am entirely convinced that the prospects for the industrialized nations of overcoming the crisis will depend largely on the extent to which they, and the Community with them, are able to resist the temptation to protectionism which never fails to arise when there is an international economic crisis. In any case, the Community's presence at multilateral trade negotiations is evidence of Europe's and the Community's resolve on this matter. On the other hand, we cannot afford to ignore the economic necessity of restructuring certain sectors of our economies, with the consequent necessary social measures.

If we are going to succeed in bringing about the necessary changes at minimum social cost, there has to be a minimum degree of protection for the restructuring programme. Now, I do not want you to think that I am trying to pull the wool over your eyes with words which are not going to be followed by action. On the contrary, our concern is to seek a reasonable balance between the necessary industrialization of the developing nations and the vital necessity for the old industrial nations to adapt to this new situation. I have noticed that the two sides in this debate have in fact reflected this search for a balanced solution. This idea of balance in my view requires a careful analysis of the effects of these agreements on the one hand, and on the other the avoidance of long-term protectionism whereby legitimate protection deteriorates into a kind of unjustified selfishness.

But this idea of temporal balance has to be matched by a balance of immediate interests on both sides. In this connection, I should like to draw the House's attention to the at least medium and short-term advantages of agreements guaranteeing market outlets for the newly industrializing countries. The problem here is how to organize, channel and control policies of *laissez-faire* and *laissez-passer*, so that we achieve the double aim of ensuring the growth of the young nations while safeguarding the jobs of the workers in the industrialized nations who, for generations, have been the artisans of world growth.

President. — The debate is closed.

8. *European driving licence*

President. — The next item is the oral questions with debate, tabled by Mr Seefeld on behalf of the Committee on Regional Policy, Regional Planning and Transport, to the Commission (Doc. 593/78) and the Council (Doc. 594/78):

Subject: European driving licence

What conclusions as to the urgent need for the introduction of a European driving licence will the Commission and the Council draw from the ruling of the Court of Justice of the European Communities of 28 November 1978 in Case 16/78?

Are the Commission and the Council aware of the fact that under the present administrative practice of the Member States, citizens of other EC countries are required to obtain a national driving licence of their country of residence?

Do the Commission and the Council also realize that, despite the Court's verdict that this administrative practice does not conflict with Treaty provisions, the citizens of the Member States find it contrary to the spirit of European cooperation, particularly with the approach of direct elections?

Are the Commission and the Council aware that the introduction of a European driving licence would be viewed by EC citizens as a symbol of the Community's genuine intention and ability to grant greater freedom of movement to those persons who attach value to closer relations between peoples and countries?

I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, ladies and gentlemen, the European driving licence is one of those subjects which keep cropping up in Parliament and which have been lying on the Council's table for years, but there has still been no noticeable progress. In a report on progress in the common transport policy, I had the opportunity at the January part-session, speaking as rapporteur for the Committee on Regional Policy, Regional Planning and Transport, to mention a number of important issues such as road tax and the harmonization of measurements, vehicle weights and driving licences. These are all subjects on which proposals have long since been submitted to the Council, and yet it is clear that there is simply no headway being made.

In putting this oral question to the Council and Commission on the subject of the European driving licence, I would like to say that I and my fellow Members in the Transport Committee are not concerned with the safety aspects. This is not to say that these are unimportant, but I assume that safety is adequately catered for by the Member States' requirements — no matter how much they may differ — for obtaining a national driving licence.

Mr President, as can presumably be seen from the text of my oral question, my purpose is to have a European driving licence introduced without delay, so that

people in the Community travelling from one Member State to another or settling in another country will no longer encounter the problems which can be eliminated through the introduction of a common driving licence.

I do not want to say anything here about the problems involved in crossing national frontiers, since a report will shortly be submitted on this matter by Mr Schyns. Where driving licences are concerned, I would rather turn my attention to the main issue of the day, namely that some countries, including my own, require drivers from other Member States, resident in the country concerned, to obtain a national driving licence. This requirement, moreover, led to the court case, the verdict in which is alluded to in my oral question. It concerned a Frenchman who, for reasons of work, had settled in Germany and who, on having a car accident, was found guilty of not possessing a German driving licence. But he had a French licence. The matter came before the Court of Justice, and the individual countries' practices came to light as a result.

The position in Germany is that, for a period of one year from the date on which they enter the country or from the date of issue of an international driving licence, foreigners are entitled to drive a motor vehicle of the same category as in their own country, using their national driving licence or the international driving licence, but after that they have to obtain a German driving licence.

We also have information on the situation in other countries. Take the case of Holland. When the holder of a foreign driving licence settles in Holland, he must renew his driving licence within less than a year from the time that he settled in the country. I can illustrate the amount of trouble involved by saying that this can only be done in Holland by making an application for a licence, signing it, and even making a statement about the state of one's health. I will leave it at that, Mr President, and merely say that the treatment of Community citizens who have duly obtained their driving licence in one Community country and who then travel to another one is a downright scandal. And yet we make a big thing of freedom of movement, which scarcely applies where driving licences are concerned.

I should like to return to the case of the Frenchman, which prompted my question. On 28 November last year, the European Court of Justice rules that freedom of movement and freedom of establishment under the Treaties are not incompatible with any measure obliging a citizen from a Member State, who holds a driving licence from that country, to obtain a licence from the country in which he is resident for reasons of work, provided that road safety is the only motive behind the national regulations.

Seefeld

Mr President, there is of course no quarrel with this verdict, and no-one wishes to quarrel with it. But although the regulation in question is not incompatible with the letter of Community law, in my view it is difficult to square it with the spirit of the Treaty. Let me demonstrate the sarcasm of the situation. In the summer holiday periods millions of people from the Community drive through our countries. They hold driving licences from their countries of origin. They weave their way through vicious traffic conditions. Frequently they are unacquainted with the area. They are unacquainted with the dangers of any given stretch of road, they are under stress and yet they manage to negotiate the traffic more or less successfully. Nobody asks them to sit special tests.

But here is the irony. Anyone who has lived in another country for a long time, knows the country and the people well and is not under stress when driving around, is suddenly regarded as a traffic risk and has to have a new driving licence! He has to have a driving licence from the country of residence. Ladies and gentlemen, that is what I call pure nonsense.

The point is now this. How can we, as European parliamentarians in the run-up to the elections, give a sound reason why the Community has not managed to introduce a standard driving licence of this type for our nine Member States. We could copy the Council's practice until now in replying to various questions and try to excuse ourselves by saying that national regulations on obtaining driving licences differ, and that it is not yet possible to harmonize them. Then we could try to illustrate this by giving a number of typical, relevant instances. Ladies and gentlemen, we simply cannot talk people into believing that this is in no way the outcome of inadequate political resolve or of reluctance — least of all when people hear that there are feverish, top-level discussions lasting hours or even days on details like the colour of the cover for the European passport. I mention that because the subject of the European passport is one which bears a striking resemblance to the vagaries of the European driving licence.

Mr President, I would like to bring my remarks to a close. I hope that the Council and the Commission will now tell us more about what is really hindering the introduction of a Community driving licence. Without wishing to anticipate these replies, I would like to stress that I am looking for something different from what we can usually read about in the press communiqués released after Council meetings.

There are a number of national initiatives in the offing. The German government has decided not to wait for the European driving licence any more. After years of waiting, the Government has stated its intention to modernize the German licence. Other countries will follow suit, and then our problem will be to finish what we started if we do not get a sensible decision soon.

Mr President, I have not forgotten the problems that we have discussed over and over again in committee and in plenary sessions. I feel that the Members of this House have enough goodwill to find a solution, and I and my fellow Members in the competent committee have little patience for the listless way that this issue has been dealt with by the Council.

I therefore demand a clear and unequivocal answer to the question. I want to know when the European driving licence will be introduced. And I want to know this so that we for our part will be able to give our constituents a clear answer.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Mr President, coming as it did a few days after the most recent Council meeting on transport, the Court of Justice's judgment of 28 November 1978 in case 16/78, to which the Honourable Member refers, obviously could not be considered by the Council.

However, I think I can state that the judgment will in no way lessen the Council's interest, which it has previously made plain, in the introduction of a Community driving licence. At its transport meeting on 20 and 21 December 1977, the Council agreed in principle to the introduction of a Community driving licence. It is proceeding towards that goal in stages, giving priority to the mutual recognition of national licences and the production of a Community model for national driving licences, before moving on to discuss the introduction of a Community licence proper, based on standard criteria.

I should point out, however, that the finalization of a 'Community licence' proper does necessitate considerable adjustments to existing national regulations regarding driving tests, minimum age requirements, definition of vehicle categories, etc. I should also like to emphasize the fact that, in the absence of perfect harmonization of the conditions under which licences are issued, the purpose of mutual recognition should be to improve the position of citizens settling in another Community country, and that improvement in this area is an important factor, since it is the only area in which real difficulties may nowadays be encountered in certain instances.

In the knowledge that this step could make it easier for workers to exercise their right to freedom of movement and freedom of establishment, the Council dealt with this subject at its transport meetings of 12 June and 23 November 1978. It is the Council's intention to reach a decision, without delay, on a first directive on the introduction of a Community driving licence, also taking into account the ruling of 28 November 1978, by the Court of Justice of the European Communities in case 16/78.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, in its judgment on Case 16/78, given on 28 November 1978, to which the honourable Member has referred, the Court expressed its opinion on arguments mainly connected with the compatibility between, on the one hand, the obligation to hold a driving licence, and on the other hand, free exercise of the rights guaranteed by Articles 48, 52 and 59 of the Treaty of Rome to free movement of persons, free establishment or the freedom to provide services. The question of the approximation by Community law of provisions relating to driving licences was only mentioned in passing, as was that of Community competence for the approximation of legislation relating to common transport policy, without any concrete guidance being given on actual measures of harmonization to be proposed.

In view of the differences which exist between the regulations in Member States on the issue of driving licences, in particular those concerning the scope of examinations, the frequency of medical checks, the period of validity of licences, and the conditions for suspension or withdrawal, the Commission considers that it is not possible in cases of prolonged residence in a Member State to envisage the recognition pure and simple of a licence issued by another Member State, as long as the conditions for the issue of licences have not been sufficiently harmonized. The Commission submitted a report to this effect to the Council in May of last year, and the Ministers took note of it at the Council meetings on transport in June 1978. Conscious of the fact that the administrative practices which at present accompany the exchange of licences in the Community are difficult to justify to public opinion, the Commission sent to the Council, on 12 August 1972, a proposed directive on the approximation of the laws of the Member States relating to the issue of driving licences, which includes a provision that holders of a valid driving licence who change their state of residence could use their own licence for a year and then exchange it unconditionally for a licence issued by the new state of residence. This proposal, in its present form, has been before the Council since the beginning of 1976.

The Commission shares the honourable Member's view of the importance of having a Council decision on this matter and of the public interest that such a decision arouses, particularly on the eve of direct elections to the Assembly.

Mr President. — I call Mr Schyns to speak on behalf of the Christian-Democratic Group (EPP).

Mr Schyns. — (F) Mr President, we can see yet again that when it comes to making life easier for the people of the Community, the Commission is doing its best, but the same cannot be said of the Council.

When it is a matter of facilitating trade, solutions are found quickly, but when it comes to finding the criteria for a uniform European driving licence, the Member States' interests turn out to be at variance and no common denominator can be found. Obviously, we are genuinely sorry about this situation, and we earnestly hope that the Council will at last endeavour to establish the necessary criteria, which clearly must be identical in all Member States.

Living as I do in a border area, I can tell you some tales to illustrate that we really cannot go on like this. For instance, an 81-year old Dutchman came to ask me — because I am the local mayor — if he could enrol as a local resident to get a Belgian driving licence. I obviously did not allow him to enrol, because this would have involved a false statement about his place of residence, for the sole purpose of obtaining the driving licence he would have been denied in Holland. Then there is the case of a Belgian whose driving licence has been withdrawn. If he changes his place of residence, goes and lives in Germany, takes driving lessons and obtains a German licence, he is free once more to drive wherever he likes in Europe. There are thus still loopholes, Mr President-in-Office. The conditions for obtaining a driving licence really must be aligned without delay, not only for private cars but also for the heavy lorries that congest our motorways. Ministers responsible for the armed forces of the various Member States ought also to get together, because the army also issues driving licences which, while obviously valid for military vehicles, are in some countries also valid for commercial vehicles and even for private cars.

Consequently, Mr President-in-Office, we expect the Council to do something about introducing this driving licence swiftly. It is not enough for it to be in six languages — it must also be valid and complied with in each of the nine Member States of the Community.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, I will confine myself to agreeing very briefly with the sentiments expressed by the speakers in the debate. I hope that the Council meeting which takes place on 20 February will enable some progress to be made on this very important matter. For the information of the House, I can say that, as Commissioner responsible for transport, I have visited a number of Community capitals in the last three months and have endeavoured, to the best of my ability, to push this matter forward. I await with interest the discussions of Coreper and the deliberations of the Council.

President. — I call Mr Bernhard-Reymond.

Mr Bernhard-Reymond, President-in-Office of the Council. — (F) Mr President, the Council understands

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the annoyance of Members of Parliament on this issue and is very keen to find a solution. But I have to say that, so far, the extraordinary intricacy of the current regulations in the various Member States has prevented our finding a solution. So we would seem to be well advised to proceed step by step, the first step being the mutual recognition of national licences and the second a start on harmonizing standards. If we really want to make things easier, we should perhaps concentrate initially on private cars before proceeding to consider heavy lorries.

Whatever happens, I would like to confirm what the Commission has just announced, namely that at the next transport meeting of the Council of Ministers on 20 February this issue will be dealt with again, and I earnestly hope that significant progress will be made on it then.

President. — I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, just a brief word in conclusion — I would like to thank the President-in-Office for pointing to potential solutions at the end of this short debate.

My fellow Members will certainly agree with a step by step approach, and I would be pleased if you used the opportunity afforded through France's Presidency to get this long-outstanding matter moving at last. If you work along the lines of the suggestions made here today, the Council will find us less troublesome than before where transport policy is concerned.

President. — The debate is closed.

*9. Community quota for the carriage
of goods by road*

President. — The next item is the oral question without debate (Doc. 591/78) by Mr Seefeld to the Council:

Subject: Community quota for the carriage of goods by road in deciding to raise the Community quota for the carriage of goods by road between the Member States by only 10 % in relation to 1978, did the Council take account of Parliament's request for an increase of 100 %?

Why did the Council depart from Parliament's resolution?

I call Mr Seefeld.

Mr Seefeld. — (D) Mr President, here again I am acting as spokesman for those of my colleagues who are concerned with the transport sector. On 13 October 1978, Mr Albers presented to Parliament a report on the Commission proposal for the Community quota for the carriage of goods by road between the Member States. This House unanimously approved a motion expressing dissatisfaction at the fact that the Council had repeatedly refused to take any account of the Commission proposals or of the opin-

ions of Parliament with regard to increasing the quota. Parliament declared that it considered the Council's attitude to be totally unacceptable, and was of the unanimous opinion that the marginal increase proposed by the Council in this respect was insufficient. The motion called for the Community quota for 1979 to be doubled.

Mr President, everything that this House wanted and called for has been completely ignored. I hope that the ministers have at least noted what Parliament said and recognize that our arguments are not just pure fantasy. I should like once again to draw your attention to this. All the Members of the European Parliament who are concerned with transport policy have complained at the way the Council — not just on this question, on others too, but here in particular — ignores Parliament. What is our work here actually for? Why do we deliver opinions? What business has the Council to treat us in this manner, to make no reaction at all, not even to say what it thinks of Parliament's proposals? After all, Mr President, the Members of this House have paid very close attention to this question. In the debate on 13 October, it was pointed out, for example, that the increase of 20 % in the quota for 1978, compared with the previous year, did not even cover the increase in traffic. Attention was drawn to the fact that Community quotas made up only 3 % of total traffic volume. We were particularly concerned to stress once again what Mr Burke said, namely that in the years 1975/76/77 the Community quota remained unchanged, while over the same period trade between the Member States increased by more than 30 %.

What we want, Mr President, is simply for the Council to acquire the habit of stating to the European Parliament its position on decisions taken by Parliament. We therefore want to know — and this forms the last part of your question — what has happened to Parliament's Resolution. Why has the Council departed from it? What were the reasons behind this? We are no longer prepared to be treated according to the principle that, since Parliament is there it has to be listened to, but what it says can be thrown straight into the waste paper basket.

Mr President, the dignity of this House demands — not just for today but for the future as well — that the Council of Ministers should give serious consideration to proposals from the European Parliament and should explain here why it has not complied with the wishes of Parliament in deciding on these proposals. There are facts, there is really nothing more to add. I should be grateful if the President-in-Office would take careful note of that and inform his colleagues. I should also be grateful if he would once again inform the Council of Transport Ministers of Parliament's position — in particular the fact that we fail to understand the way in which this transport policy sector is

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being handled in the Council — and of our indignation at the way the Council is treating Parliament.

Mr President, that is a very brief introduction to the problem. On the question itself there is nothing more to be said. The facts are known, not least to the Council.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Mr President, at its meeting on 23 November 1978, the Council examined the Commission proposal for a 20 % increase in the 1979 Community quota for the carriage of goods by road between Member States.

In examining this question, the Council naturally took account of the Opinion delivered on the subject by the European Parliament. However, certain delegations considered an increase of the order suggested by the Commission to be unnecessary in view of the economic situation and of the fact that insufficient progress was being made in harmonizing conditions for competition in this area. Another argument against the proposed increases was that they would be bound seriously to affect the road network, which would thereby become further overloaded. These objections apply even more to the increase proposed by Parliament, which was in any case not adopted by the Commission. I should also like to point out that Regulation (EEC) No 3164/76, establishing the Community quota for the carriage of goods by road, only provides for the possibility of an increase in the quota, not that it should be automatic. The decision to increase the Community quota for the carriage of goods by road between Member States by 10 % was therefore the only compromise on which the Council could agree.

President. — The proceedings will now be suspended until 3 p.m.

The House will rise.

(The sitting was suspended at 1 p.m. and resumed at 3 p.m.)

IN THE CHAIR : MR COLOMBO

President

President. — The sitting is resumed.

10. Question Time

President. — The next item is the second part of Question Time (Doc. 607/78). We begin with the questions addressed to the Council.

I call Question No 33, by Mr Howell :

Does the Council agree that the recent change of policy in the USSR in favour of private farming, as reported in the 'Times' of 2 October 1978, both reflects the failure of centrally-planned agriculture and highlights the fact that the CAP, notwithstanding its admitted problems, has proved highly successful in feeding the peoples of Europe ?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) The Council considers that evaluation of the agricultural policy of the USSR is a matter outside the competence conferred upon the Council by the Treaty of Rome. With regard to the common agricultural policy, the Council recalls that on several occasions — and in particular when stating the results of a stocktaking of the policy in November 1975 — it has emphasized that the common agricultural policy has ensured security of food supplies in the Community and enabled the Community to help, as far as its resources have allowed, in supplying various peoples in Europe and elsewhere with certain agricultural products, and to take part in food aid projects to help developing countries.

Mr Howell. — I think the President-in-Office's answer does indicate how successful our common agricultural policy has been in relation to state-controlled agriculture both in Russia and China and, since the common agricultural policy is often criticized and ridiculed, I think we should recognize how successful it has been over the last twenty years in ensuring adequate food supplies for our people and in making full use of our agricultural resources.

Mr Bernard-Reymond. — (F) The Council is glad to endorse the point just made by the honourable Member and shares his view of the common agricultural policy.

Mrs Kellett-Bowman. — Is the Council aware that food prices in the United Kingdom rose by 52 % between June 1975 and June 1978, but on the figures of the United Kingdom Government less than 8 % of this rise was due in fact to the CAP, and the remaining 44 % was due to increases in fuel prices, packaging, transport, processing and so forth ? And does not this prove that in fact the CAP is providing a very good bargain for our people even though we all acknowledge that in some respects it could do with improving ?

Mr Bernard-Reymond. — (F) The Council is grateful to the honourable Member for the details she has just provided, particularly regarding the effects of the agricultural policy on the purchasing power of British consumers. We will bear these figures in mind when studying questions of this kind.

Mr L'Estrange. — Is the President-in-Office aware that the only fault that we have to find with the farmers of Europe is that they have worked too hard, too efficiently, and they have succeeded in feeding the people of Europe and are now being penalized for their enterprise?

Is he further aware that there are undernourished men, women and children in Europe, and if other sections of the Community worked and exported more, then we should have more wealth and the people would have more money to spend on food-stuffs which would help to alleviate the problems facing the common agricultural policy?

Mr Bernard-Reymond. — (F) Council has no wish to award marks to the various social groups in Europe, but it nevertheless recognizes the considerable efforts made by the farmers in these countries as regards productivity and congratulates them.

Mr Scott-Hopkins. — Notwithstanding the obvious superiority of the common agricultural policy over Russian agricultural policy, would the President-in-Office not agree that it is not right for the export of surpluses from the Community to Russians to be paid for by the European taxpayer to the extent to which it is done at the moment, and would he look into this matter to see whether the restitution payments for the export of surpluses to Russia and other Iron Curtain countries can be severely reduced in the future?

Mr Bernard-Reymond. — (F) The Council will examine this particular aspect of the common agricultural policy as you request.

President. — Since their authors are absent, Questions Nos 34, 35 and 36 will receive written replies.¹

I call Question No 37, by Mr Brown:

Having regard to the dangerous nature of foamed polyurethane, will the Council obtain a copy of 'The Report of the Technical Subcommittee on the Fire Risks of New Materials', published by the Home Office Fire Department of the United Kingdom and institute a working party to consider the relevance of its findings to the general safety of persons employed in factories where such material is manufactured, and the safety of persons in dwellings where polyurethane is used in furnishings.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) It is for the Commission to carry out the necessary studies and submit any appropriate proposals to the Council.

Mr Brown. — May I put it to the Minister that I tabled questions to the Council over a year ago and that nothing has happened? I would now draw the Council's attention to the study conducted in the United Kingdom, which tells a very sad story indeed, and I would ask the President-in-Office, now he has

had his attention drawn to it to ask the Commission to consider how relevant it is to the countries of Europe as a whole.

Mr Bernard-Reymond. — (F) I am certain that the Commission is aware of your views and will act in accordance with your wishes. As for the Council, it will be very pleased to study any proposals submitted to it.

Mr Spicer. — I wonder if I could enlist the support of the President-in-Office in a matter which I know relates basically to the Commission? Has the President-in-Office by any chance seen a recent report on the standard of fire precautions in European hotels? I have already raised this matter with the Commission, and received from them a blank refusal to take any action within the Community. Could I ask him two things: how should I proceed to persuade the Commission myself, and would he lend his support to this cause, which I think would find support amongst all the people of the Community, to achieve better fire precautions in hotels throughout the Community?

Mr Bernard-Reymond. — (F) The Council can only act in accordance with the Treaties and hopes therefore to be approached by the Commission on this important question which you have just raised.

President. — Honourable Members may therefore put a question on this subject to the Commission at a subsequent part-session.

Since they deal with the same subject, I call Questions Nos 38, 39 and 40...

I call Mr Fellermaier on a point of order.

Mr Fellermaier. — (D) Mr President, I should like to point out that I expect to receive an individual answer to my question. I do not agree to the idea of the Council answering these questions jointly.

(Applause)

In my view, every Member has a right to receive an answer to this question and I should like to put something on record — which is why I have risen on a point of order — namely that I would like to know who actually decides to whom a question put by a Member is addressed. I put my question to the Conference of Foreign Ministers and this was my personal decision as a Member of this Parliament. I then received a letter dated 7 February from the Secretary General of Parliament informing me on behalf of the Secretary General of the Council that 'the question regarding the discussions between the French and Luxembourg governments on the seat of the European Parliament which you have addressed to the Foreign Ministers meeting in Political Cooperation is in fact a matter for the Council'. In effect, it consti-

¹ See Annex

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tutes a restriction of the right of the individual Members of Parliament to put questions if one Ministry or other in one of the various governments in practice decides for the Council whether something is a matter for the Council or for the Conference of Foreign Ministers. Since it is your job, Mr President, to defend the interests of the Members of this House, I should be grateful if you would state explicitly who actually decides on a question addressed by a Member to the Conference of Foreign Ministers. I should be grateful if this point could be settled before my question is called.

(Applause)

President. — I call Question No 38, by Mr Fellermaier.

In the 'Dernières Nouvelles d'Alsace' of 17 January 1979 reference is made to discussions between the Prime Minister of Luxembourg, Mr Thorn, and the French Foreign Minister, Mr François-Poncet, on the choice of seat for the European Parliament. Commenting on this report, the President-in-Office of the Council told the European Parliament that the question of Parliament's seat had been decided by the governments and referred to the procedures provided for in the Treaties and relevant decisions.

I would therefore ask the Council:

Are discussions going on between the French and Luxembourg Governments on the seat of the European Parliament as reported in the abovementioned newspaper article?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) The Council's view was that this type of question is a Community matter in that it only concerns the interpretation of the Treaties.

Any decision concerning the seat and places of work of the Community institutions can be taken only by common accord by the governments of the Member States. I would also remind you that in his letter to the President of the European Parliament of 27 September 1977, the President-in-Office of the Council, Mr Simonet, stated that the governments of the Member States considered that 'there was no need to alter, either *de jure* or *de facto*, the existing arrangement regarding the places of work of the European Parliament'.

Mr Fellermaier. — (D) Mr President, I see that my question has not been answered so I might therefore be permitted to read it out. I am certain that the President of the Council will recognize my question if he listens carefully. It was as follows:

In the 'Dernières Nouvelles d'Alsace' of 17 January 1979 reference is made to discussions between the Prime Minister of Luxembourg, Mr Thorn, and the French Foreign Minister, Mr François-Poncet, on the choice of seat for the European Parliament. Commenting on this report, the President-in-Office of the Council told the European Parliament that the question of Parliament's seat had been decided by the governments

Mr President, I am asking by what decision of the governments the question of Parliament's seat had been settled? I have quoted verbatim the answer given by the French Foreign Minister in his capacity as President of the Council as recorded in the official report of proceedings of the January part-session.

Bernard-Reymond. — (F) The Council has not been informed of any decision of this kind and can therefore only refer you back to the answer already given.

Mr Seefeld. — (D) Mr President, the last part of Mr Fellermaier's question reads as follows:

Are negotiations going on between the French and Luxembourg Governments on the seat of the European Parliament as reported in the abovementioned newspaper article?

I should like to ask you as representative of the Council whether or not you, as representative of the French Government, are aware of negotiations between your government and the Luxembourg Government on this question. Yes or no, Mr President of the Council?

Mr Bernard-Reymond. — (F) The Council has not been informed of any such negotiations.

Mr Patijn. — (NL) Does the President of the Council share my view that it is customary in the nine Member States of the European Community for the Parliament and governmental bodies to have their seat in the same city?

Mr Bernard-Reymond. — (F) So far the Council has never discussed questions of this kind from this point of view. As regards the siting of the various institutions, for the time being we are keeping to the provisional agreement with which you are familiar.

Mr Brown. — Can I invite the President-in-Office to look at the report of proceedings of this House of last year when I raised this whole matter in a debate? He says the Council have not heard about it before, but I spelt out in easy language for the Council to understand why it would be wrong for Parliament to keep parading around Europe, and I explained to him how much it would cost. When he now says that this is the first time the Council have had their attention drawn to this issue, I really do not understand him, and I must press him. I thought the question very clear, and it is not sufficient to say that the Council have not had it drawn to their attention. Are there or are there not discussions taking place?

Mr Bernard-Reymond. — (F) The views of the Council are still the same as those explained in the letter from the President of the Council, Mr Simonet, to the President of this House.

Mr Sieglerschmidt. — (*D*) Mr President of the Council, is it not completely wrong for the President of the Council to say that the question of the seat has been settled when only a provisional place of work has been decided upon, and when does the Council really intend to settle this question of a seat for the Parliament?

Mr Bernard-Reymond. — (*F*) The very fact that you are asking me when this matter will be settled is ample proof that it is not already regarded as settled. Moreover, I never said that it was regarded as settled and should like to repeat that the current views of the Council are still those described in the letter addressed to the President of this House by Mr Simonet.

Mr Caro. — (*F*) Is the President-in-Office of the Council aware that the interpretations which may be put on discussions or negotiations and any comment made might, in spite of everything, constitute a threat to the existing situation, which has been accepted by all the governments in accordance with the provisions of the Treaty of Rome? Can he also assure me that the role already assigned to Strasbourg in this connection has not been jeopardized by all the unrest which has become apparent here today?

(*Laughter*)

Mr Bernard-Reymond. — (*F*) The Council is acutely aware of the unrest which might result from this debate but stresses that nothing has changed as regards the current situation which, I repeat, was described in Mr Simonet's letter.

Mrs Dunwoody. — I am sure that the President-in-Office of the Council is trying very hard to be helpful, but I wonder if he could perhaps ask himself whether he knows anything about any negotiations that are taking place at the present time and if he could then inform the President-in-Office of the Council of what is going on?

(*Laughter*)

Mr Bernard-Reymond. — (*F*) The President-in-Office of the Council knows nothing about negotiations or contacts of this kind. Moreover, he has left his Secretary-of-State-for-Foreign-Affairs hat in the cloakroom.

(*Laughter*)

Mr Holst. — (*DK*) The President of the Council is giving very clear and concise answers and I hope he will continue to do so in the case of the questions I am about to put.

Is the President of the Council aware of any other parliament anywhere else in the world with no fixed place of work? He can answer this question with a 'yes' or 'no'. What will happen if the newly elected

Parliament wishes to meet elsewhere than currently envisaged? And my third question: does not the President of the Council think it would make Parliament's work easier if it had one single place of work?

Mr Bernard-Reymond. — (*F*) I will try and be very brief. As matters stand, the Council feels that the current solution is the best.

Mrs Krouwel-Vlam. — (*NL*) Is it true that the Council, Commission and European Investment Bank are having new offices built in Brussels and Luxembourg? Do these projects come under the provisional agreement on the sitting of the institutions?

Mr Bernard-Reymond. — (*F*) The current projects or extensions cannot in any way affect the current situation regarding the provisional seats of the various institutions.

Mr Lagorce. — (*F*) Does the President-in-Office think that it will be possible to settle this problem, the importance of which can be judged by the number of people who have spoken on it and which it did not prove possible to settle under previous presidencies, before the direct elections or, at least, before the end of the French Presidency?

Mr Bernard Reymond. — (*F*) This does not strike me as probable, but we shall see.

(*Laughter*)

Mr Dankert. — (*NL*) Can the President of the Council deny on behalf of all the Members of the Council that negotiations are currently under way or have been held between France and Luxembourg on the distribution of work of the European Parliament between Luxembourg and Strasbourg?

Mr Bernard-Reymond. — (*F*) It is not a question of denying, but of not knowing.

(*Laughter*)

The President-in-Office of the Council does not know whether or not there have been any contacts or negotiations between the authorities you have mentioned.

President. — I call Question No 39, by Mr Dankert:

Were the Council and the Governments of the Member States informed of the discussions referred to in the report in the 'Dernières Nouvelles d'Alsace' of 17 January 1979?

Mr Bernard-Reymond, President-in-Office of the Council. — (*F*) Mr Dankert will not be surprised if I repeat the reply I gave to the previous question — indeed if I do not, I would not be saying what I have been authorised to say by all the other Members of the Council. Furthermore, if I were to give you a different answer, one of them would of necessity be false, which I would obviously not wish to be the case.

Bernard-Reymond

Any decision concerning the seat and places of work of the Community institutions can be taken only by common accord by the governments of the Member States. I would also remind you that in his letter to the President of the European Parliament of 27 September 1977, the President-in-Office of the Council, Mr Simonet, stated that the governments of the Member States considered that 'there was no need to alter, either *de jure* or *de facto*, the existing arrangements regarding the places of work of the European Parliament'.

Mr Dankert. — (NL) I did not expect any other answer. Do you, in your capacity as the President-in-Office of the Council, find it correct that the Members of the Council should not be informed about negotiations conducted by a number of Member States regarding the meeting place of the European Parliament?

Mr Bernard-Reymond. — (F) You say that negotiations have been held. I have not been informed of any such negotiations, and consequently there is no reason for me to react in any way.

Mr Brown. — Would the President-in-Office bear in mind that every time the Parliament moves from place to place it costs £3 million sterling just to move the paper? Is he satisfied that that waste of taxpayers' money every time you move is economically justified?

Mr Bernard-Reymond. — (F) I cannot claim that this is an economical way of going about things, but for the time being the Council has been unable to find any other solution, at least not a less expensive one.

Mr Fellermaier. — (D) Since the President of the Council does not know whether the French and Luxembourg Governments are currently conducting discussions regarding the provisional siting of the European Parliament, regardless of the fact that the Secretary-General and officials are in Luxembourg, and cannot give us any information on this matter here today, may I ask whether the President of the Council is prepared to assure us that he will give us a clear yes or no answer during Question Time at the March part-session to the question of whether negotiations of this kind have been held, are still being held or are yet to be held between the French and Luxembourg Governments?

Mr Bernard-Reymond. — (F) This is not in fact a question for the Council. However, the Presidency of the Council will endeavour to obtain some information from the two countries you have just mentioned, since I had previously heard nothing about this I was indeed wondering which countries could in fact be involved!

(Laughter)

Mr Seefeld. — (D) Mr President of the Council, since you have not had the names of these countries I must conclude that you have quite clearly come to this meeting unprepared. Might I ask you to guarantee by means of official discussions in the Council that the French Government informs the Council of Ministers about what it has to discuss with the Luxembourg Government on this question of the seat of the Parliament?

Mr Bernard-Reymond. — (F) The Council will do all it can to obtain information which will set your mind at rest.

President. — I call Question No 40, by Mr Seefeld:

How will the Council ensure that the European Parliament is involved in the procedures laid down for fixing the seat of the European Parliament?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Any decision concerning the seat and places of work of the Community institutions can be taken only by common accord by the governments of the Member States.

Mr Seefeld. — (D) Mr President of the Council, can you see that after their election to the European Parliament freely elected Members of Parliament will take on the responsibility of helping to find ways of saving the taxpayer's money and must therefore insist that this question of the seat of the institutions should be settled, since this is what millions of citizens from nine countries expect? Can you also understand that, for the reason I mentioned these the Members of Parliament will have a right to deal with their problems themselves and will no longer have to leave it to the nine governments to take the decisions?

Mr Bernard-Reymond. — (F) The Council acts in accordance with the Treaty.

Mr Fellermaier. — (D) If the Council acts in accordance with the Treaty, I should like to ask when the governments intend to act in accordance with Article 216 of the EEC Treaty and fulfil their obligation to determine the seat of the institutions of the Community.

Mr Bernard-Reymond. — (F) The Council will endeavour to do as you wish and must admit that so far it has not been possible to reach agreement between the various Member States with a view to achieving the results you desire.

Mr Sieglerschmidt. — (D) What is the Council actually hoping to achieve with the direct elections to the European Parliament if the view it takes of the Parliament is reflected in your outrageous answer to Mr Seefeld's question?

Mr Bernard-Reymond. — (F) As far as I know, the Council does not directly connect the seat of the Assembly with the way in which its Members are elected, which is to change in a few months.

Mr Seefeld. — (D) That is precisely the mistake you are making!

Mr Patijn. — (NL) Can the President of the Council perhaps explain why, when we are talking about the seat of the various institutions, it is always the seat of Parliament which poses problems and never the question of the seat of the Commission or Council of Ministers?

Mr Bernard-Reymond. — (F) I do not think one can claim that there are no problems regarding the seat for the other institutions. There is a problem in all three cases.

President. — Since its author is absent, Question No 41 will receive a written reply¹.

I call Question No 42, by Mr Radoux, for whom Mr Sieglerschmidt is deputizing:

When will the Council confirm the Commission's new mandate for the negotiations with Yugoslavia?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) At its meeting of 6 February 1979, the Council gave the Commission additional directives to continue the negotiations initiated with Yugoslavia in 1978 in order to conclude a new agreement.

Mr Sieglerschmidt. — (D) Obviously, I cannot expect you to go into the details of the Commission's mandate here today, but I should like to ask you two questions. Firstly, can you give us an idea of the timetable for these negotiations and secondly, what, generally speaking, will be discussed in these negotiations, what sort of procedures are envisaged and will the Council ensure, as is provided for in this case, that the Political Affairs Committee is kept constantly informed of progress in these negotiations?

Mr Bernard-Reymond. — (F) The Community is prepared to resume these negotiations, which, as you know, were broken off in April 1978, as soon as possible, on the basis of the supplementary negotiating guidelines adopted by the Council on 7 of this month. The negotiations may be resumed as soon as possible.

As regards the procedures, the Commission will, as usual, negotiate on the basis of the mandate adopted by the Council.

¹ See Annex.

As far as keeping the competent Parliamentary committees informed is concerned, as you know, and in order to ensure that your institution plays a greater part in the field of trade agreements, a procedure has been laid down, known as the 'Westerterp procedure', under which the Council will certainly provide all the necessary information.

President. — Since their authors are absent, Questions Nos 43 and 44 will receive written replies¹.

I call Question No 45 by Mr Edwards:

Has the Council's attention been drawn to the booklet entitled 'The Infiltration of the UN System by Multinational Corporations' by the 'Declaration of Berne' revealing the attempts by certain multinational corporations to exercise improper influence over decision-making in the Communities and what action do they propose to take?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) The Council points out that it does not comment on statements, articles or works. The Council does not doubt that the institutions take the decisions they have to take in complete independence, in the general interest of the Communities and, needless to say, after gathering all the necessary information and opinions.

Mr Edwards. — I am just amazed at that negative reply of the President-in-Office. Here we have evidence of a calculated conspiracy to violate clauses of the Rome Treaty in connection with competition. Here we have evidence that six Swiss-based multinational companies are infiltrating all the international institutions to prevent any mandatory legislation against their anti-social activities. Surely the Council of Ministers, which is the Government of our Community, has a responsibility in this respect, if it is only to safeguard the Rome Treaty?

Mr Bernard-Reymond. — (F) The Council will gladly take note of the facts you have just mentioned.

President. — I call Question No 46, by Mrs Ewing:

Is the Council aware that current practices in making grants from the European Regional Development Fund are causing more disappointment than trust in the European Institutions, because individual firms are advised that their cases have not been submitted to Brussels, while in reality they will not receive any additional payment because the application, even if granted, results only in refunding to the national treasury regional aid paid long ago to the firms, and does the Council plan any amendments to this procedure in the new Regional Fund Regulation?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) I would remind the honourable Member that Member States are responsible for deter-

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mining in detail what procedure has to be followed at the national level as regards both the submission of applications for aid and the allocation of the amounts received from the European Regional Development Fund. I would observe in this connection that the Council took due account of the concern expressed in the question when, on a proposal from the Commission, it adopted on 6 February 1979 in the new Regulation on the Regional Fund a new Article 19 which reads as follows :

1. The Member States shall adopt the necessary measures to indicate separately, according to the special characteristics of national budget systems, the sums received from the Fund.
2. At the request of the Commission, Member States shall provide it with information on the allocation of the amounts received from the Fund.

This is an important step in the direction desired by the honourable Member, namely, clarification of the way in which the amounts from the Fund are allocated within national budgets. Furthermore, the new Regulation contains an innovation in Article 8 (3): accelerated payments may be granted by the Commission to a Member State at the latter's request. This new provision will reduce the time between the actual investment and the payment of aid from the Fund so that, in most cases, undertakings will be informed of the allocation of funds from the Community before payment has actually been made.

Mrs Ewing. — Perhaps the President-in-Office will excuse me for regarding that answer as a white-wash of a situation which can only produce, in the minds of UK citizens, a feeling that this Fund is not trustworthy. Is there then no criticism on the part of the President — is that what I have to take from his answer? — or any of his colleagues, of the practice in the UK, outlined in my question, whereby sums awarded from this Fund, to which all Member States contribute, are partly finding their way to topping-up the UK Treasury? It is not, surely, the question of detail we are concerned with here, but a burning question of principle. It is not a clarification which will satisfy us, as the position is all too clear. The UK is helping itself to amounts granted to individual applicants. Is there no criticism on his bench of this practice?

Mr Bernard-Reymond. — (F) The Regulation must be applied. I have no doubt that the Commission is preoccupied with this matter and I think the new Regulation I have just mentioned constitutes a step in exactly the direction you advocate.

Mr Fletcher-Cooke. — Would the President-in-Office consider at least giving a little more information? The information I suggest is that where the Commu-

nity suggests a certain destination for the Regional Fund, and the national government objects, at least that difference should be exposed for all to see.

Mr Bernard-Reymond. — (F) The Council is surprised that such things can happen, since the Community takes its decision regarding aids to be granted under the Regional Fund on the basis of documentary evidence.

Mr Fuchs. — (D) Do you share my view, which, as became apparent at Monday's debate, is also that of the entire Parliament, that the money paid to the individual Member States from the Regional Fund should be used in the national budgets of these Member States as a supplement to national resources for measures to be taken in connection with regional policy?

Mr Bernard-Reymond. — (F) The Council considers that to be a pertinent remark.

(Laughter)

Mrs Kellett-Bowman. — Is the Council aware that when local authorities in the United Kingdom receive sums from the Regional Fund they are actually categorically forbidden by the United Kingdom Government to undertake any additional projects by reason of the fact they have received this assistance, thus frustrating the objective of the Regional Fund that, in the words of the previous Commissioner, George Thomson, the money from the Regional Fund should be a bonus to help the weaker regions?

Mr Bernard-Reymond. — (F) The Council cannot interfere in the internal affairs of the individual Member States when the procedures have reached this level.

President. — I call Question No 47, by Mr Nolan :

As pensioners who have paid contributions towards their pensions during their working life do not benefit from the EEC butter subsidies for social welfare recipients, would the Council be favourably disposed to extending the scheme to such pensioners?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) The Council Regulations stipulate that 'Member States are hereby authorized to grant aid for the purchase of butter at reduced prices by persons receiving social assistance.' In this connection, the Commission decided that only individual consumers belonging to categories defined by the Member State in question who, because of their economic situation, receive social assistance granted by a public authority of the Member State may receive the aid provided for by Regulation (EEC) No 1762/78. The Community legislator thus wished to take into account differences

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between national rules governing public social assistance schemes and therefore to afford the Member States some flexibility in defining the concept of 'persons receiving social assistance.' It is therefore up to the Member State in question to determine, if necessary, the categories of the population which it wishes to be covered by the concept of 'persons receiving social assistance.'

Mr Nolan. — The President is well aware that in certain Member States there are people in receipt of social assistance, be they business people, be they farmers or others who have handed over their property to a son or a daughter or something like that, whose income is in reality far in excess of what the ordinary social welfare contributor-pensioner has by way of income. What I am asking you to do, and I can assure you of the support of the Irish Minister for Social Welfare, is to extend this scheme to the contributor-pensioners. They are the people who down through the years have paid their social welfare contributions and now discover that people who have not contributed anything to the social welfare code can get this subsidy on the butter. So, Mr President-in-Office, when you next meet in the Council, please consider those pensioners who have been contributors.

Mr Bernard-Reymond. — (F) It is for the Member State in question to decide whether pensioners can be regarded as persons receiving social assistance.

Mrs Dunwoody. — As we have had a chance to see how flexible and revolutionary the President-in-Office of the Council is this afternoon, could he perhaps not suggest to the Ministers that they halve the price of butter throughout Europe, since that will enable everyone including pensioners, to buy it without any difficulty whatsoever?

Mr Bernard-Reymond. — (F) The Council is bound by the rules of the common agricultural policy and it cannot make innovations this afternoon.

Mr L'Estrange. — Does the President-in-Office not agree that the thrifty and those who make provision for their old age are penalized in some countries? Does he think that this is the correct procedure?

Mr Bernard-Reymond. — (F) The Council does not think that the Regulation currently in force can penalize pensioners since the Member State in question is at liberty to include pensioners, where appropriate, in the category of persons receiving social assistance.

President. — I call Question No 48, by Mr Soury:

Can the Council confirm that the representative of France has transmitted to it the French National Assembly's imperative request for the immediate and complete

abolition of monetary compensatory amounts, which is vital to preserve French agriculture from ruin, and can it explain how it reacted to this request?

Mr Bernard-Reymond, President-in-Office of the Council. — (F) As the honourable Member knows, the Council's discussions are confidential for reasons connected with its smooth functioning. However, I would recall that the problems connected with the effects of monetary compensatory amounts on the functioning of the common agricultural policy have long been given priority amongst the Council's concerns. The Council emphasized as early as 1975 that the prolonged use, without any adjustment, of these means in the agri-monetary sphere might cause distortions. If, despite repeated efforts, it has not yet been possible to arrive at a solution, this is due to the complexity of the problems which are often not only of agricultural but also of monetary and social origin. However, since the meeting of the European Council on 5 December 1978 and further to the resolution adopted at that meeting, the Council has made further efforts to arrive at a solution. The Council also considered the matter at its meeting of 12 February and will take it up again at the meeting of 5 March.

Mr Soury. — (F) This is a difficult question to settle, I do not deny it, and you are putting off the solution even longer. As I see it, we keep talking about the same problems. However, even if we only see the problems from one side, we nevertheless want some attention to be paid to the difficulties arising from the continuation of the monetary compensatory amounts. I should like to give just one example, that of our beef producers, who have to compete with German production, which is considerably higher. I will quote just one figure: currently, a hindquarter of beef is imported to France with a subsidy of 349 old francs per kilo/carcass. Clearly, under these conditions, our producers will not be able to hold out for four years. Do you not think that this presents difficulties which are just as serious for Community policy as those to which you say are delaying the abolition of monetary compensatory amounts?

Mr Bernard-Reymond. — (F) The Council is fully aware of the difficulties you have mentioned and this is why we are currently working intensively with a view to solving the problem of abolishing the monetary compensatory amounts.

Mr Lagorce. — (F) Mr President of the Council, can you, without violating the confidential nature of the deliberations, tell this Parliament which Member States are opposed to the request on the part of France to abolish the monetary compensatory amounts?

Mr Bernard-Reymond. — (F) I cannot give you these details here. However, I do not think this should

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pose great problems for you since the press took up this question a long time ago and dealt with it in great detail.

Mr Patijn. — (NL) Does the President of the Council think that it will be possible to solve the problem of monetary compensatory amounts and the related question of the introduction of the monetary system during the French Presidency?

Mr Bernard-Reymond. — (F) The Council strongly hopes that this will be the case and will do all it can to achieve this.

President. — We continue with the questions addressed to the Ministers of Foreign Affairs of the nine Member States of the Community meeting in political cooperation.

Question No 49 will not be called since it deals with at subject covered elsewhere on the agenda. Mr Hamilton will have the right to speak first in the debate on this subject. I call Question No 50, by Mrs Walz :

What action have the Foreign Ministers taken to put an end to the violations of the Helsinki Agreement by the Soviet Union referred to in an oral question to the Council of the European Community (Doc. 32/76) and debated by the European Parliament on 12 May 1976 and with what success?

Mr Bernard-Reymond, President-in-Office of the Foreign Ministers. — (F) The governments of the Nine are profoundly concerned with the principle of the respect of human rights — indeed it was largely due to their action throughout the Conference on Security and Cooperation in Europe that reference was made to human rights in the Final Act of Helsinki — and in view of this, they have continually stressed the vital importance they attach to the respect of human rights on the part of all the states participating in the Conference.

The nine governments remind the honourable Member that, during the Belgrade meeting, their representatives drew particular attention in their stock-taking of the implementation of the Final Act of Helsinki to the application by the signatories of its 7th principle, namely, 'respect for human rights and fundamental freedoms including the freedom of thought, conscience, religion or belief.

Both in their inaugural speeches and in the course of the discussions, the Nine deplored the way in which these principles had been violated in certain countries, including the Soviet Union. In the course of 1978, the governments of the Nine again adopted a position, individually and jointly, regarding the prosecution and sentencing of certain individuals in the Soviet Union for having demanded that the Final Act of Helsinki should be applied in their country.

Thus, in their statements of 28 May and 29 July the governments of the Nine spoke out against the sentencing of Orlov and the trials of Ginzburg, Shcharansky and Piatkus. The governments of the Nine are aware of the limitations of their action, but point out that the Final Act of Helsinki provides, at the political level, for the examination of the extent to which human rights are respected in some of the signatory States by the other signatories.

Nevertheless, the governments of the Nine are convinced that their action has not been without results and that, in particular, it has helped to reinforce the idea, both in the minds of the governments and of the public in general, that the respect of human rights and fundamental freedoms is essential for peace, justice and the well-being necessary and for the development of friendly relations, between not only the States participating in the Conference on Security and Cooperation in Europe but all other States too.

Mrs Walz. — (D) In putting this question I in fact had quite a specific case in mind. Two years ago, I put several cases before your predecessor, Mr Gaston Thorn, including that of the poetess Irena Stasinova, who was sent to a labour camp for six years merely for speaking out in favour of civil rights, and this sentence has now been made more severe, according to my Amnesty International bulletin. When I put this case before Mr Thorn, he promised to bring it to the attention of the other Foreign Ministers who would personally endeavour to do something about it. You said nothing about this in your answer but I was in fact only asking what had become of a previous promise.

Mr Bernard-Reymond. — (F) As you have just pointed out, the steps we have taken have not so far produced any results. The Council regrets this and takes due note of your renewed concern with this matter.

President. — I call Question No 51, by Mr Eberhard :

What action do the Ministry intend to take with a view to the designation of 8 May as a public holiday in all the Community countries to commemorate the victory over Nazism and Fascism in Europe?

Mr Bernard-Reymond, President-in-Office of the Foreign Ministers. — (F) The subject to which the honourable Member's question refers does not come under political cooperation and for this reason the Presidency cannot reply to it.

Mr Eberhard. — (F) Mr President, you will not be surprised if I tell you that I am not at all satisfied with your reply, since this date, 8 May, is a matter which concerns all the countries of the Community.

Eberhard

I wonder whether or not this reply stemmed from the wish on the part of certain governments of the Community, particularly those of France and Germany, to see to it that the atrocities committed in the Nazi concentration camps are forgotten as soon as possible.

Mr Bernard-Reymond. — (*F*) I am sure that the honourable Member is fully aware that I answered as I did for procedural reasons and not for reasons of principle. I might add, nevertheless, that the criticisms he has just levelled at two countries are perhaps somewhat inappropriate, since a television programme is currently being shown throughout Europe which clearly demonstrates that these countries have by no means forgotten the facts of which he has just reminded us.

(Applause from various quarters)

Mr Brown. — I am grateful to the President-in-Office for his statement of a moment ago, but may I ask him if he will consider whether 8 May is the correct date to suggest, since I think it will take a little longer than the next few months to obtain the agreement of Soviet Russia to stop the violation of human rights which is the very epitome of the fascism that we destroyed in Europe, and unless Soviet Russia is going to stop these violations, should we not put it off until the day they do?

(Applause from various quarters)

Mr Bernard-Reymond. — (*F*) The Ministers have not discussed this question.

(Laughter)

Sir Geoffrey de Freitas. — Is not 8 May of significance only to one or two of the countries in our alliance, and did not all our governments agree over ten years ago though the Council of Europe to celebrate Europe Day on another day in May?

Mr Bernard-Reymond. — (*F*) I am afraid I must reply to the honourable Member that this question has not been discussed in the context of political cooperation among the Ministers of Foreign Affairs.

Mr Howell. — Would the President-in-Office not agree that questions such as this one tabled by Mr Eberhard are only inspired by motives that are unlikely to lead to a united Europe, and that, as the contribution to the question concerning Soviet Russia indicated, many of us would consider it a red-letter day when we could celebrate the victory over Communism, and that the honourable Member concerned would not share our views on that occasion?

Mr Bernard-Reymond. — (*F*) The honourable Member will understand that, for procedural reasons, I cannot state my personal opinion on this question,

since this is not what I am here for. Nevertheless, I have taken due note of the honourable Member's feelings and the points he has made.

President. — Question No 52 will not be called since its subject is dealt with elsewhere on the agenda. Mr Kavanagh will have the right to speak first in the debate on this matter.

The second part of Question Time is closed.

I call Mr Prescott on a point of order.

Mr Prescott. — I wonder, Mr President, since we have not exhausted our time, whether you or the House could possibly agree, in view of fact that I was at another meeting of this House and just missed my own Question No 44, to ask the Minister if he could reply to that question? But if that is against the Rules I will not press the point.

President. — Mr Prescott, I am afraid I cannot meet your request since Paragraph 9 of Annex II of the Rules of Procedure, which contains guidelines for the conduct of Question Time, states in connection with Rule 47 A:

A question may be answered only if the questioner is present or has notified the President in writing, before Question Time begins, of the name of his substitute.

Paragraph 10 goes on to say:

If neither the questioner nor his substitute is present, the question shall be answered in writing by the Institution concerned, and published together with the answer in the Report of Proceedings.

Unfortunately you were not present when I came to call your question. Consequently it will receive a written reply.¹

I call Mrs Dahlerup.

Mrs Dahlerup. — (*DK*) Mr President, I should nevertheless like to ask whether the Rules of Procedure are so strict on this point that it is not possible to make an exception if the questioner is present during Question Time and asks for his question to be included, and if the reason for his absence was an important meeting in this House?

President. — I cannot disregard the Rules of Procedure, however rigorous they may be.

11. *Economic support for the South African regime*

President. — The next item is the oral question with debate (Doc. 590/78), tabled by Mr Bordu and Mr Sandri on behalf of the Communist and Allies Group, to the Foreign Ministers of the nine Member States meeting in political cooperation:

Subject: Economic support for the racist regime of South Africa.

¹ See Annex.

President

A French chamber of commerce in South Africa was established on 28 November 1978 in Johannesburg.

This action, taken with the cooperation of the majority of the French industrial and financial groups operating in South Africa, has the backing of the French embassy in Pretoria.

1. Are the Ministers aware of this action ?
2. Do they not consider that expansion of trade by the Member States fits into the general pattern of the Community's *de facto* economic support for a discredited and racist regime outlawed by the UN from the community of nations, and that such support is helping to perpetuate this regime ?
3. Do they not feel that, following the condemnation of South Africa's policy of apartheid, they ought to heed the ACP/EEC Consultative Assembly's repeated calls for vigorous action by the Community to put an end to collaboration on the part of the major European undertakings with the racist regime of Pretoria ?
4. Do they therefore intend to take a stand against actions of the kind referred to in the present question ?

I call Mr Bordu.

Mr Bordu. — (F) Mr President, I must begin by apologizing on behalf of my comrade, Mr Sandri, who is unable to attend this debate.

In presenting the oral question which we tabled together, I would remind the House that on 30 November 1978 the newspaper 'Le Monde' carried an article of alarming gravity. The brief text read as follows: 'A French chamber of commerce in South Africa was established on 28 November in Johannesburg to promote trade between the two countries... This action, taken with the approval of the majority of the French companies operating in South Africa, is of a purely private character, although it has the backing of the French Embassy in Pretoria. The setting up of this chamber of commerce coincides with an increase in trade between France and South Africa which is becoming more and more favourable to South Africa'.

This communiqué from the Agence France-Presse is quite clear and self-explanatory. Let us not forget, however, that South Africa is the only country in the world in which racialism forms the basis of national policy and legislation. In this highly developed country 30 % of children receive no education, and infant mortality exceeds 30 % in whole regions. The age of colonialism is not dead !

South Africa's racialism does not harm everyone, however: labour costs are as low as in an underdeveloped country, but the infrastructure is that of a rich industrialized nation; the working class is trained for factory work, but the country's laws are geared to those who organized forced labour in the colonies up to the second world war. It is therefore easy to understand why foreign capital is so eager to invest in South Africa. Foreign investment is one of the objectives of

apartheid, and it also helps to ensure its survival. European companies which invest in countries where apartheid exists are guilty of wage discrimination and of repressing trade unions in order to gain enormous profits.

There are no less than 80 French undertakings included in the list published by the UN. The EEC is directly involved through many of its member countries: is it not true that Germany buys all its asbestos, cobalt and uranium, and Britain 84 % of its gold from South Africa ? And is it not true that France, via Total, a publicly financed company, has recently signed an agreement to exploit coal mines ? Total, you will recall, conspired with BP to supply oil to Rhodesia, despite the embargo. Meanwhile France is continuing to shut down its own coal mines, while South Africa supplies 25 % of its coal requirements. The EEC countries have been investing more and more in South Africa, and France's investments have quadrupled since 1966 !

Lest us be perfectly frank: the setting up of this chamber of commerce threatens to stimulate investment by the Community and other countries. This move is in open defiance of the request by the ACP/EEC Consultative Assembly, which hopes that collaboration between European big business and the South African régime will be stopped. Furthermore, this measure underlines the hypocrisy of those who, while supporting apartheid and the multinationals which invest in South Africa, are trying to get the ACP countries to accept a reference to human rights in the second Lomé Convention.

We care about human rights and believe that the so-called civilized countries should point the way towards respect for mankind, even if this prevents fat profits from being earned at the cost of human blood and the tears of an entire people. No-one will be surprised, therefore, at our support for the aspirations of those fighting for their freedom. No-one is in any doubt that other countries will follow Iran in casting off their shackles. We therefore call upon the EEC countries to withdraw their support for the South African racialists.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Foreign Ministers. — (F) Mr President, this question does not fall within the Council's competence. Under the rules for the foreign ministers meeting in political cooperation, questions relating to the policies of a Member State may not be answered. In this case, therefore the Presidency is not entitled to put forward any opinions on behalf of the Nine.

President. — I call Mr Lagorce to speak on behalf of the Socialist Group.

Mr Lagorce. — (*F*) Mr President, the whole world is united in condemning South Africa's racist policies, and yet apartheid is being applied more rigorously than ever. In 1968 the United Nations Security Council prohibited all trade with Rhodesia, and in 1977 it forbade the sale of arms to South Africa. A list has just been published of 593 companies which, despite the embargo, have traded with Rhodesia; a further 43 companies have sold arms to South Africa.

These figures are very depressing. Admittedly, embargoes are difficult to supervise and are seldom universally observed. The argument against them is that the black population are likely to be the hardest hit. Pressure could also be applied by banning foreign investment in South Africa. But there again, it is argued that black workers would be the worst affected by such a measure.

Steve Biko, the founder and leader of the Black Consciousness Movement, maintained that while the blacks would suffer in the short term, because many of them would lose their jobs, Europe and the United States should realize that foreign investment strengthens the existing régime and thus indirectly helps to bolster the injustice of the present political system. Because of this, Biko said, the black population has no time for foreign investment.

In all honesty it is difficult for the West, and especially the Community, which is South Africa's main trading partner, to take sanctions against a country which is one of the world's major suppliers of raw materials and which is well on the way to becoming one of the world's main producers of uranium. This explains the volume of trade between the Community and South Africa a trade which each year accounts for 10 thousand million dollars.

That is why big business is anxious not to lose the profits which they are reaping in South Africa. However, South Africa's policy of apartheid is seriously damaging the country's financial situation. It is extremely costly and compels South Africa to borrow huge sums abroad; the foreign banks are then glad to provide the South African régime with the financial backing it needs to continue its policy of apartheid. I should also add that the French banks, especially the nationalized banks, have not been slow to collaborate in financing apartheid, as they were involved in 57 of the 176 loans granted to the South African government from 1950 to 1978.

Perhaps we could follow the example of institutions like the World Council of Churches, whose members are exerting pressure on the banks by threatening to boycott them — and deposits have already been withdrawn — unless they stop lending their financial support to apartheid. Such an undertaking requires the political will of all the Community countries but it would make it possible to reduce South Africa to a situation which it would soon find intolerable, despite its wealth.

However, I shall now turn to the code of conduct which was drawn up by the Council and which is to be applied to European undertakings with subsidiaries, branches or agencies in South Africa. Obviously we should not overestimate the importance of this, as it is intended solely to ensure equality between blacks and whites in pay, working conditions and desegregation in industry. Everything will clearly depend on how the code is observed by the undertakings concerned. The question of the report which I hope to be able to present to the House on behalf of the Committee on Development and Cooperation at the next part-session. I merely wished to remind the House of the code's existence and point out that if we manage to get European industries, and subsequently those of the other industrialized nations, to observe this code of conduct — which could be expanded and refined — we will at least achieve tangible and concrete results which will help to improve the living conditions of the black workers. This would be the first step towards the abolition of apartheid, and that is ultimately our goal.

In any event the Community should realize the need for a solution to South Africa's problems, whether this is achieved by strict application of the code of conduct, by halting foreign investment, by removing the sources of finance or by boycotting their exports.

Since the decolonization of Angola and Mozambique, and because of the interest which the superpowers are showing in these countries, South Africa has become a potential source of international crisis. The Community must therefore act, and act quickly.

President. — I call Mr Vergeer to speak on behalf of the Christian-Democratic Group (EPP).

Mr Vergeer. — (*NL*) Mr President, Mr Bordu and Mr Sandri have seen fit to table an oral question on behalf of their group criticizing the setting up of a French chamber of commerce in South Africa. On behalf of the Christian-Democratic Group I want to make it perfectly clear that, far from being merely concerned about South Africa's racist policies and its violation of basic human rights, we condemn these policies in the strongest terms.

The whole problem raised by Mr Lagorce concerning the form, conditions, context and application of the code of conduct is an essential part of the draft report presented by Mr Lagorce on behalf of the Committee on Development and Cooperation. When this report is discussed we shall have ample opportunity to deal with this matter in depth. The Christian-Democratic Group does not therefore feel any great need to discuss this point in detail in the light of the incidental event described in the question. Instead, it wishes to repeat emphatically that it fully approves the letter of the Chairman of the Political Affairs

Vergeer

Committee dated 12 December 1973 to the Committee on Development and Cooperation concerning Mr Lagorce's draft report. In other words, we still fully endorse the foreign affairs ministers' approval on 20 September 1977, of the code of conduct relating to the activities of Community undertakings in South Africa. We welcome the code of conduct because its aim is to persuade the South African Government to abandon its policy of apartheid which is at the expense of the non-white population, and to ensure that human rights are recognized and respected.

Of course we realize, like everyone else, that the code of conduct has so far not been fully applied by the undertakings concerned. We therefore welcome the proposal put forward in the letter of the chairman of the Political Affairs Committee, whereby the President-in-Office of the Council would be required to submit a yearly report to Parliament on how the code of conduct is being observed and applied. We trust that our foreign affairs ministers will see the code as a political guide when determining their overall political attitude to South Africa.

We understand the feeling, indeed the compulsion to take every opportunity to discuss human rights, in this case with regard to the situation in South Africa. This is completely understandable, but I believe that whenever we discuss the violation of human rights anywhere in the world, we would do well to ask ourselves, at the same time, whether we in Europe are free of all guilt. When we remember that a large part of the world still lacks the most basic means of sustenance, we Europeans should not forget to examine our own conscience, because this problem is also bound up with the protection or violation of human rights.

Mr President, I have been at pains to point out that we have faith in the Council's policy, and I hope that the code of conduct will be drawn up in more specific terms as a result of the discussion on Mr Lagorce's report. For that reason my group does not at the moment wish to comment any further on the question raised by our two colleagues.

President. — I call Mr Spicer to speak on behalf of the European Conservative Group.

Mr Spicer. — Mr President, may I at the outset agree with the previous speaker and say that at this particular time I feel that it would not be constructive for this Parliament to follow any further along the lines of this Oral Question with Debate.

I think, it would be quite wrong hypocritical and stupid for those of us who live in Western Europe to even begin to consider any problem relating to South Africa in isolation from the situation that obtains throughout Southern Africa. Indeed, it should be our rôle as Europeans not to go heavy-handed into the

affairs of another nation-state and to try and force them to follow a line that we believe to be right. We should rather be working to bring black and white together that, certainly, is my aim, is the aim of our group because unless we do bring black and white together in Southern Africa, then we are inviting disaster for both black and white and, indeed, for ourselves. Mention has already been made of the tremendous reliance that we have in the Western World on the raw material that comes from Southern Africa.

Now how do we go about this? Do we go for a boycott? The word 'force' has been used. Why not force these people? People who speak in those terms misunderstand completely the whole mentality, the drive and ethos of your southern Afrikaner. If we want to drive those people back into the laager, then these are just the expressions that we should be using. I had the opportunity to visit South Africa last year, and I defy any member of this Assembly, or anyone who has been in contact with the leaders of black Africans in South Africa, or of coloureds or Indians, to believe that a boycott in any shape or form would do more harm to anyone other than the Indians, the coloureds and the blacks. The very last thing they would wish to see is a heavy code of conduct and a heavy hand imposed in Southern Africa.

It is very easy for those people who are tied up tightly in their own little world of prejudice to say this is nonsense, and we can force these people to do what we want them to do. That we cannot do. As always, this word 'capitalist' is thrown around: the 'capitalist' forces, the 'capitalist' banks are happy to deal with South Africa. But what really is the position with regard to the banks and with regard to capital? You can't force people to trade or to deal or to invest in a country if they don't wish to do so.

There is a story that I heard, not once but several times, in South Africa of a well-known banker of repute who went to the South Africans and said: 'I'm terribly sorry, we have invested here over many years, but the time has now come when we won't be able to do it any more unless you do certain things'. And a list of a dozen things was given to the South African Government. At that point the Minister they were speaking to said: 'Well, that's splendid. Let us say that we observe this list of twelve points that you have given to us. Can we then take it that you will increase your investment in South Africa?' And the banker said: 'If you follow those lines, then we would never dream of investing another penny in South Africa because we know the inevitability of the chaos and the confusion that would follow'.

I speak, I hope, with some knowledge of Africa. All I would say is: For heaven's sake, let us measure our words and our deeds in this field and work towards a reconciliation and not a confrontation between black and white in South Africa and Southern Africa.

President. — We must now interrupt the debate for Voting Time. We shall resume at the conclusion of the votes.

12. Votes

President. — The next item is the vote on the motions for resolutions on which the debate has closed.

I put to the vote the motion for a resolution contained in the *Bruce of Donington report (Doc. 555/78): Shipping and pollution*. The resolution is adopted¹.

President. — We shall now consider the motion for a resolution contained in the *Hughes report (Doc. 608/78): Common fisheries policy*.

I put to the vote the preamble and the first subparagraph of paragraph 1.

The preamble and the first subparagraph of paragraph 1 are adopted.

On subparagraph (a) of paragraph 1, Mr Brugha, Mr Brosnan, Mr Herbert, Mr Nolan, Mr Power and Mr Yeats have tabled Amendment No 3 seeking to delete the following words:

particularly in those regions heavily dependent on fishing.

What is Mr Hughes' position?

Mr Hughes, rapporteur. — I would accept Amendment No 3, deleting the existing wording, and advise the House to vote also in favour of Amendment No 4, inserting an alternative.

President. — I put Amendment No 3 to the vote. Amendment No 3 is adopted.

I put to the vote subparagraph (a), thus amended, of paragraph 1.

Subparagraph (a) of paragraph 1 is adopted.

After subparagraph (a) of paragraph 1, Mr Brugha, Mr Brosnan, Mr Herbert, Mr Nolan, Mr Power and Mr Yeats have tabled Amendment No 4 seeking to add the following new subparagraph:

to promote the development of the fishing industry in areas particularly dependent on fishing and in the under-developed regions of the Community as envisaged in the Hague Resolution of November 1976.

I put Amendment No 4 to the vote.

Amendment No 4 is adopted.

I put to the vote subparagraph (b) of paragraph 1 and paragraph 2.

On paragraph 3, Mr L'Estrange has tabled Amendment No 1 seeking to delete the following words:

once more, that national preferential zones will do little to protect the interests of the inshore fishermen; and

What is Mr Hughes' position.

Mr Hughes, rapporteur. — I advise the House to accept this amendment, Mr President.

President. — I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

I call Mr Vandewiele for an explanation of vote.

Mr Vandewiele. — (NL) Mr President, I should like to clarify our group's position. We do not agree with the wording as regards the national preferential zones. This is such a tricky issue that we should rather not express an opinion at this time. My group is requesting the rejection of paragraph 3 in its entirety.

President. — I put to the vote paragraph 3, thus amended.

Paragraph 3, thus amended, is adopted.

On paragraph 4, Mr Brugha, Mr Brosnan, Mr Herbert, Mr Nolan, Mr Power and Mr Yeats have tabled Amendment No 5 seeking to amend the paragraph as follows:

Considers, at the same time, that there should be created a special inshore belt, in which preference shall be granted to vessels of limited size and range of operation, particularly local inshore vessels, and in fishing will be regulated by means of fishing plans.

What is Mr Hughes' position?

Mr Hughes, rapporteur. — Since, Mr President, we have not had a chance to discuss this amendment in the Committee on Agriculture, I must leave it to the will of the House, but my personal opinion, as rapporteur, is that we should retain the present wording of paragraph 4.

President. — I put Amendment No 5 to the vote. Amendment No 5 is adopted.

I put paragraphs 5 to 11 to the vote.

Paragraphs 5 to 11 are adopted.

On paragraph 12, I have Amendment No 2/rev., tabled by Mr Müller-Hermann and Mr Vandewiele on behalf of the Christian-Democratic Group (EPP), seeking to amend the paragraph as follows:

Urges that factory ships which fish exclusively or predominantly for the production of fish meal should be banned since no control of the fish species transformed can be effected.

What is Mr Hughes' position?

Mr Hughes, rapporteur. — As I indicated in the debate last night, I am happy to accept this amendment.

¹ OJ C 63 of 12. 3. 1979.

President. — I put to the vote Amendment No 2/rev.

Amendment No 2/rev. is adopted.

I put paragraphs 13 to 21 to the vote.

Paragraphs 13 to 21 are adopted.

On paragraph 22, Mr Brugha, Mr Brosnan, Mr Herbert, Mr Nolan, Mr Power, and Mr Yeats have tabled Amendment No 6 seeking to amend the paragraph as follows :

Stresses the importance of a substantial financial contribution by the Community to the restructuring of the inshore fishing industry and to the development of fish farming.

What is Mr Hughes' position ?

Mr Hughes, rapporteur. — Since this both expands and makes more clear the existing text, I am happy to accept it.

President. — I put Amendment No 6 to the vote.

Amendment No 6 is adopted.

I put paragraphs 23 to 28 to the vote.

Paragraphs 23 to 28 are adopted.

I put to the vote the motion for a resolution as a whole

The resolution is adopted¹.

President. — I put to the vote the motion for a resolution by Mr Prescott and others (Doc. 622/78) : Mr Adams and Hoffmann-La Roche.

The resolution is adopted¹.

13. *Economic support for the South African regime (resumption)*

President. — The next item is the continuation of the debate on the oral question (Doc. 590/78) on economic support for the South African regime.

I call Mr Edwards.

Mr Edwards. — My intervention, Mr President, in this important debate, is a very brief one indeed. I listened with very close attention to the speech by my parliamentary colleague, Mr Spicer, and I was astonished at his remarks. He wants white and black to come together in South Africa. So do all of us. But how is this overwhelming majority of black people to come together with the whites whilst the poisonous doctrine of apartheid is part of the law of that country ?

A few months ago I was looking up the register of apprentice training in South Africa. They register all the apprentices trained for skilled jobs. I found that there was not one single black worker registered as an apprentice : there were only five Asians. So the black proletariat condemned to a labouring job all their

lives. A few changes have taken place, but that is still the basic fact. In the prisons of South Africa, to our undisputed knowledge 48 black people have died under torture. How do Christians who call themselves Christian Democrats endorse this kind of thing ? Only last year, there was a strike of black African busmen in Durban. They went on strike, they withdrew their labour, because they had no negotiating rights over their wages. Their wages were only half the rates paid to white busmen doing exactly the same job. They were rounded up in buses and deported into the bush, away from their families. And so I could go on, giving example after example.

If you look at a list of the industries of South Africa, it looks like the blue book of the European multinational companies operating there. What we are asking for is a simple code of conduct : that black African unions should have the right to negotiate, that they should work reasonable hours, should get a decent living wage, and that slave labour should not be part and parcel of the agreements that Africans have to sign in mining companies owned by European firms.

The biggest imports of coal into our Europe come from South Africa and the biggest purchaser of coal is, unfortunately, France. Do you know that the American United Mineworkers's Union are boycotting all coal coming from South Africa into America ? Do you know that the State of Alabama has taken action to make it illegal to import South African coal because it is mined by slave labour ? How, under these circumstances, can any Member of this Assembly vote against the motion before this House ? If you believe in human freedom, if you believe in human rights, this is the test ; you have got to stand up and be counted.

IN THE CHAIR : MR YEATS

Vice-President

President. — I call Mr Hughes.

Mr Hughes. — Mr President, in my nearly nine years in the British House of Commons, probably the most effective six months I have ever had were spent serving on the select committee of that House looking at the wages paid to the black and coloured employees of British firms operating in South Africa. Of the members of the British Labour Party on that select committee, one is now Chief Secretary to the Treasury, one is now Minister of Transport, one is now Minister for the Air Force, and I alone remain in this Parliament to speak on behalf of those of us on that select committee, who, when we drew up the code of conduct pressed upon our government the need for such a code of conduct for European firms in general and British firms in particular operating in the particular conditions of Southern Africa.

¹ OJ C 63 of 12. 3. 1979.

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The evidence that was put before us scandalized us and scandalized decent moral opinion in the United Kingdom. What it showed without any doubt was that black labour was being exploited by means of appalling wage-levels which did not provide even for the decencies of life. Yet the profit was being transmitted to others. We had hoped that either Her Majesty's Government or this European Community would put some teeth into that code of conduct. And what disturbs me when I listen to this debate is that now, some years later, there are no teeth. It is a gum job; there is no biting against these companies, they are left free to continue to exploit the disadvantages, whether of contract migrant workers or those from the so-called home-lands, or even those who are brought into white South Africa. These people are denied trade unionism, they are denied a decent living standard. And what I fear is that neither the Council nor the Commission of this European Community are doing more than paying scant lip-service to a code of conduct. They hold up their hands in horror and say: We don't like the conditions we see in South Africa, but it would be interfering with a lot of problems of commercial enterprise if we did anything about it.

All I would remind this House is that in that select committee, the then chairman of British Leyland, Sir Donald Stokes, now Lord Stokes, told us that the policy of that company was to abide strictly by the laws of the country in which they were operating. He was then asked: would he have abided by slavery if British Leyland had been operating in the Southern States of the United States prior to 1860? Because that, by analogy, is precisely the condition upon which European firms operating in South Africa are now conducting their business. They are hiding behind the apartheid rules and laws of the South African Government to evade their reasonable moral and human obligations; and both the Council and the Commission by their inactivity are conniving at their activity.

President. — I call Mr Bordu.

Mr Bordu. — (F) Mr President, I would just like to say very briefly that today's debate has clearly shown the widespread concern about the situation in South Africa. If, for reasons of procedure, the Council does not feel competent to interfere at this level in affairs between European companies and South Africa, I believe that the responsibility for this lies with the Member States, which are completely free to intervene in external and internal affairs which concern them. The Member States are therefore directly concerned, and the Community must fully realize this.

Having said that, I still believe that the French Government and the Community cannot remain insensitive to the developments arising from the disin-

terested establishment of a chamber of commerce in South Africa by France. I repeat, this measure is bound to stimulate investment in a country in which political, trade union and social rights are persistently disregarded by those who, for the sake of internal profit and foreign capital, are unwilling to change their views on democracy in that country.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Foreign Ministers. — (F) Mr President, although I am not allowed to reply on behalf of the Nine to the question raised a moment ago by Mr Bordu, I should, like, before the debate is closed, to state the Community's long-standing views on apartheid and repression. The Nine have in fact intervened on numerous occasions for political prisoners, and appealed to the subsidiaries of European undertakings to ensure racial integration at work — frequent references have been made this evening to the code of conduct — and they have also introduced an embargo on arm supplies and have drafted other measures which are still being examined. In this way the Nine have, I believe, given a very clear indication of their concern to see apartheid abolished in South Africa.

Firstly, the Nine have made a number of declarations, and their position has always remained the same, for example at the international anti-apartheid conference in Lagos, during the general debate of the World Conference of the United Nations in Geneva, and in Mr Genscher's speech before the UN General Assembly in New York in September 1978. Moreover, the Nine have not been content merely to issue declarations: as you know, they have adopted certain measures, and in particular have refused to recognize the spurious independence granted, under the separate development policy, to the Transkei in October 1976 and to Bophuthatswana in December 1977.

The Nine adopted the code of conduct to which I have just referred because they wanted to make their own contribution to the anti-apartheid movement, which is gaining very wide support throughout the world. The Nine have also taken steps to free detained persons in South Africa — you will recall that these moves were made by the Belgian ambassador when the Community presidency was occupied by Belgium. Similar steps to free political prisoners were taken on behalf of the Nine by the German ambassador in South Africa.

So you can see that over the past few months the Nine have been very actively engaged in trying to make it clear to South Africa that the situation there is intolerable. The Nine regard South Africa as a multi-racial society, and its future can only be peaceful if human rights and equality are guaranteed to all its citizens.

Bernard-Reymond

With your permission, Mr President, I should now like very simply and briefly to reply to Mr Bordu, not in my capacity as President-in-Office of the Council, but as French State Secretary for Foreign Affairs. Although certain news agencies have reported that a French chamber of commerce has been set-up in South Africa with the backing of the French Government, this is incorrect for the following reasons: firstly, this is only a proposal which has not yet been implemented, and secondly, it is difficult for the French Government to prohibit private initiative. In any case, the French Government does not feel in any way involved and — to my knowledge — has never given any indication that it supported such a venture. I wanted to make this point to Mr Bordu and all those Members who are concerned about this venture, and assure them that this move in no way originated with the French Government.

President. — The debate is closed.

14. *Anti-Semitism and neo-Nazism*

President. — The next item is the oral question with debate (Doc. 585/78) by Mr Bordu, Mr Ansart, Mr Eberhard, Mr Porcu and Mr Soury to the Foreign Ministers of the Nine Member States meeting in political cooperation:

Subject: Resurgence of anti-Semitism and neo-Nazism

Several Community countries are experiencing a resurgence of racist, anti-Semitic and neo-Nazi declarations and activities encouraged by the activism of small extreme right-wing groups or former Nazi war criminals and an increasingly complacent attitude to them in the mass media.

Against this background, crimes against progressive organizations and unprovoked racist assaults, even the murder of immigrant workers, are becoming more and more frequent.

Nostalgic racist gatherings, such as the 28 meetings held by former SS members in 1977, are on the increase.

1. Do the Ministers not feel they should take a clear stand against all racism and anti-Semitism and in favour of banning all neo-Nazi activities?
2. Do they not consider that in order to remove all obstacles to friendship between our peoples it is essential in these times to take a stand against any distorted image of a tragic period in the history of our countries and prevent a situation where the racist and Fascist ideas that brought Europe to the brink of ruin and caused the death of millions of people are taken for granted?
3. Do they not deem it essential to declare that there will be no time limit on the prosecuting of Nazi war crimes in all the countries of the Community and ensure that all criminals are judged and sentenced?

I call Mr Bordu.

Mr Bordu. — Mr President, we attach a great deal of importance to this question which, as a result of the extensive debate provoked this very day by last night's

showing on French television of 'Holocaust', has now acquired a good deal of topical significance. What this film is trying to do by recalling this tragic episode in the history of the world is to inform the public and to drag out of official oblivion those things which are bound to be repugnant to human intelligence.

While stressing the importance of the question we are debating here today, let me at the same time point out that our question is of course not directed at any one people. Our aim is not to place any one nation in the dock, nor are we motivated by any sense of petty or partisan vengeance. What we want to do is to draw attention to something which is and always will be of decisive importance, and that is that friendship between our peoples and peace and brotherhood in Europe cannot flourish on the basis of deliberate ignorance or complacency towards the ideologies which have steeped our continent in blood when, at the same time, there are a large number of unrepentant men who are guilty of monstrous crimes against humanity and who are now trying to bring about a resurgence of the causes and the activities for which they should have been imprisoned.

As the final declaration adopted in Cologne on 22 April 1978 pointed out, the SS organizations were condemned for crimes against humanity by the international Nuremberg Tribunal, their reconstitution was forbidden by the Allies' agreements of 1945, and their activities are contrary to the constitution of the Federal Republic of Germany and to the wishes of a large number of other countries. The declaration goes on:

In violation of these texts, SS units have formed themselves into associations bearing the titles and war insignia of their precursors. Their aim is to cultivate the militaristic traditions of the Hitler régime, to glorify its leaders and to rehabilitate war criminals.

Former members of the SS nowadays deny the full extent of Hitler's acts of genocide, the monstrous crimes of which they were guilty — both in Germany against Germans and in the occupied countries — the massacre of millions of inmates of concentration camps and their extermination in the gas-chambers, etc. In a number of countries, the last few months have seen a resurgence of declarations and activities of a criminal nature bearing the hallmarks of racism, anti-semitism and nostalgia for Nazism. Let us take France as an example, where we have seen the woman known as the 'bitch of Tulle' coming back to strut about cynically at the scenes of her crimes. Then there was the intolerable interview given to a French newspaper by Darquier de Pellepoix, the attacks against progressive organizations and immigrant workers and the officially authorized meetings of those who are remembered all too well as the 'Euro-droite'. We have seen the desecration of the graves of resistance fighters, arson in synagogues and even, two

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weeks ago, the vandalization of Struthof concentration camp in Alsace. Incidentally, this latter incident has provoked a reaction from the National Secretary for War Veterans, who has called on the French Government to find some means of putting a stop to the escalating neo-fascist vandalism. This most recent act has been felt by all the surviving internees, deportees, and resistance fighters as a painful and worrying demonstrations on the part of unrepentant, nostalgic supporters of Nazism. I would add that there are groups in France at the moment who pay unemployed young people to wear — in public — a uniform adorned with a swastika.

The strong feelings of emotion and healthy indignation provoked by these recent events testify to the maturity of our peoples. But maturity alone is not enough. We think the Council of Ministers must take a firm stand on these questions and should take steps to put an end to the increase in these neo-fascist, racist and anti-semitic activities. The Council of Ministers should take the initiative in improving the dissemination of information. The screening of 'Holocaust' has served to concentrate our minds, and what we now need is an educational campaign, not to find a scapegoat, but rather to ensure that our young people realize the causes of this tragedy, which not so long ago threw our whole continent into turmoil, and thus to ensure that nothing of the kind will ever happen again.

'Holocaust' is, of course, of great interest, but it cannot explain everything, because anti-semitism was not the sole breeding-ground for Nazism. We must resist anything which tends to take Nazism and anti-semitism for granted. Erroneous information on our recent past is thus counter-productive to the need for all good democrats to prevent the resurgence in any form of fascism, which has caused so much suffering to all our peoples, including — let me repeat — the German people themselves.

This need to prevent the resurgence of fascism means also that we must take a stand on the question of the time-limit on the prosecution of war crimes. The Assembly of the Council of Europe at long last, on Friday 2 February, declared that there should be no such time-limit. This came at the end of long process which began in July 1976 with a petition presented — as you may remember — by my friend Virgile Barel, the father of a French resistance hero, whereas the murderer Klaus Barbie has not been extradited despite numerous applications. Mr Marcel Pol made the same point, on behalf of the French 'Buchenwald-Dora' Association, in connection with the submission of petition No 17/76 to the European Parliament.

In his report to the Council of Europe, Mr Stoffelen, the Socialist Member of the Dutch Parliament, pointed out that at least 4 000 known major Nazi criminals had not been brought to justice. He also

pointed out that, in January 1977, the ministers of the Council of Europe had adopted a convention which rejected any time-limit on the prosecution of these crimes. Since then, that convention has been practically a dead letter, since one country and one only — France — has ratified it.

Unless something is done quickly, 31 December 1979 will see the arrival of the time-limit, in the Federal Republic of Germany, for the prosecution of Nazi crimes and war crimes. The International Federation of Resistance Movements has recently got in touch with the German Government and the *Bundestag* in an attempt to get this time-limit lifted.

Urgent action is now required from the Council of Ministers of the Community to put into practice the frequent assurances of their determination to make progress in consolidating friendship between the peoples of Europe. This House would also greatly improve its public image by reacting quickly and favourably to the petition handed in by a very large delegation of French resistance fighters and deportees.

These people are in the public gallery today. Let me say that they are living symbols of suffering and hope, as well as the will to fight for as long as is necessary. I hope that all of them, and indeed all victims of the tragic Hitler era throughout Europe, realize where we stand on this issue. We attach no blame to present and future generations, but we are absolutely steadfast in our resolve to remain vigilant and to resist any signs of the rehabilitation of violence or ideologies preaching violence. No caring democrat will sleep easily in his bed while neo-Nazism — fortunately still a marginal phenomenon — is rearing its ugly head again.

We should not forget that the economic crisis, unemployment and the associated phenomena create, and will continue to create, public disorder, and that this evokes no more than a complacent response from the authorities representing all the governments in this Community. Restricting economic rights and liberties will only exacerbate these problems. In this respect, we should not disregard the lessons of history, and we should be on our guard against any policy of barring certain people from certain occupations. There is a strong temptation to apply authoritarian measures in a number of countries. We would warn against giving in to such a temptation. For these and other reasons, I would ask the Council, on behalf of my group, to take a stand along with the countries which approved the convention on abolishing any time-limit on the prosecution of murders, Nazi crimes and war crimes.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, *President-in-Office of the Foreign Ministers* — (F) Mr President, the governments of the nine Member States of the European Community are devoting a great deal of attention to

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developments in the kind of activities indicated in Mr Bordu's question, particularly those of an anti-semitic or racist nature. They have always condemned any form of racism and racial discrimination as a fundamental violation of human rights, the most recent occasion being a joint declaration issued in Geneva on 15 August 1978 on the occasion of the United Nations Conference on racism and racial discrimination. The Nine will continue to do everything in their power to oppose these phenomena, which are contrary both to the basic principles of democracy in their own countries and to the democratic principles on which the process of European unification is based.

President. — I call Mr Krieg to speak on behalf of the Group of European Progressive Democrats.

Mr Krieg. — (*F*) Mr President, let me begin by expressing my regret at the fact that on a subject like the one we are discussing now — and which concerns all of us — there are so few Members in the Chamber to take part in the debate.

Turning to the point Mr Bordu was just talking about, it is sad to relate that now, nearly 40 years after the start of the Second World War and 35 years after it came to an end, the problems we faced then, and which we all fought against in our own way, have still not been resolved. Today, with 1980 rapidly approaching, we are surprised and not a little worried to find a resurgence of those things we thought had long ago been done away with once and for all.

Let us admit that we are perhaps all of us equally guilty, and I would echo what Mr Bordu said just now that we have no wish to point an accusing finger at any of the countries represented in this House. This was not why I felt obliged to speak today on behalf of the Group of European Progressive Democrats.

In all — or almost all — our countries, there has been a resurgence, in one form or another, of those vile sentiments which cost the lives of so many people just 40 years or so ago. In one way or another, it is being brought home to us that perhaps none of us has sufficient courage to do all we should be doing to put an end to this. I do not want to give the impression of accusing anyone — I shall have something to say about the situation in France as well — but we cannot overlook the fact that, in this bloody catalogue of woe, attention must be directed first and foremost at the Federal Republic of Germany, where there is a resurgence of that Nazi sentiment which we thought had disappeared but which — in the guise of veterans' associations — has shown that it is not yet dead and buried.

It is even more alarming to see young people being dragged into this business which, as far as they are concerned, may be completely meaningless, but which — and this is something we should never

forget — was once a matter of life and death to hundreds of thousands of people.

In France, we also have a number of associations which share the same ideas and which, perhaps, we do not always oppose as energetically as we might. In the name of hazy and, sometimes, quite tenable ideologies, they attack targets as widely different as a Paris synagogue, the *Club Méditerranée* or the headquarters of the National Federation of Deportees, Internees, Resistance-fighters and Patriots, which is situated behind the *Hôtel de Ville* in Paris and was hit by an explosion just a few months ago. Fortunately, this attack cost no more than a large number of window-panes, windows and doors, but it could just as easily have claimed human lives.

The situation is the same in Italy, where a variety of fascist forces are in operation. The same is true, to a certain extent, in the United Kingdom, and this list could be continued indefinitely if we had the time.

What should we do in a situation like this? Unfortunately, as in so many cases, fine words are just not enough. We have a duty to those who died and to those who had the extraordinary luck to come out of the concentration camps alive to take some positive action. Purely by chance, in yesterday's or Monday's *Le Monde*, I came across some statistics, one of which in particular speaks volumes. Of a total of 120 000 people deported in France during the last war for racial reasons — including 8 000 children — no fewer than 117 000 perished or disappeared without trace, leaving only 3 000, and none of their children. I wonder how many of those people are alive today?

It is to their heroism and to their memory that we today owe the reply expected by all the peoples of Europe to the question very rightly asked by Mr Bordu and other Members of his Group. Now is the time for us to take decisions, and not make do with fine words.

Mr President-in-Office, allow me to appeal to you directly. The reply you gave us just now may have been perfectly satisfactory, as far as it went but you not think that it was a little too diplomatic and that the time is coming when diplomatic replies will not be enough, when we shall need something more concrete and more tangible? The first thing we must do — as Mr Bordu pointed out just now — is to ensure that the time-limit on the prosecution of the war crimes which led to the massacre of hundreds of thousands and even millions of people in Europe is lifted in all countries. It would be injudicious — in fact, not to mince words, it would be utterly intolerable — for the Federal Republic of Germany to take the step, at the end of this year, of letting people get off scot-free for everything they said and did simply because they have managed to evade the law. Of course, a third of a century has passed since the events we are talking about. Of course, our reactions now-

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days are rather different from those we had or might have had in 1945 or 1950. But it is going too far for there to be no reaction whatsoever.

I should also like to say that, having seen the film screened by French television last night, and which was also shown a short time ago by West German television, there is much that Europeans should be doing in this field. I must say that I am appalled at the way the French history books deal with the 1939-1945 War and, in particular, the part played in that war by the resistance fighters, the Free French Forces, and all those people who risked their lives — and all too often lost their lives — because they believed in what they were fighting for and because they wanted to see their cause prevail.

I am even more appalled when I think of all those who perished in the concentration camps, because there is still a lot we owe them. I do not know what the situation is in the other Member States of the Community, but I think that we have a duty to tell our young people what made the 1939-1945 War so special. It was not a war like any other war. It was not simply a war about one country's dominance over another, and about the need or the wish to grab additional territory, fought by armies with just a small number of special features accompanying, as was the case in 1914-1918. It was the first war which affected everyone, and especially those who were unable to defend themselves, and those who could do nothing more — as we saw on the television screens last night — than accept their fate and be separated from their families before perishing in the flames of the extermination camp crematoria.

This is something which all the young people in our nine countries should realize, and it is something they should never forget. Let me repeat that our concern is not to use this as a means of stirring up hatred against anyone. We managed to overcome any such feelings of hatred and vengeance long ago, and there is no reason for us to rekindle them. Our aim is simply to ensure that the generation after ours — which, thank heaven, has not had to live through what some of us had to live through — is aware of what went on and of how the last war was fought and won.

This, Mr President-in-Office, was what I wanted to add to Mr Bordu's comments, and I should just like to say on a personal note that I hope that the documents which have been handed over to our President by the Federation of Deportees will be given due consideration. If so, I think that this rather belated debate will have served some purpose and borne some fruit.

President. — I call Mr Dankert to speak on behalf of the Socialist Group.

Mr Dankert. — (NL) Mr President, the previous three speakers have all made the point that this debate on the Oral Question tabled by Mr Bordu, Mr Ansart and others concerns an extremely serious subject. This

being so, I think what we need to begin with is a little more certainty about the truth of the statement that what we are witnessing now in the Community is a resurgence of Nazism and anti-semitism. I rather doubt it.

I recall that, a number of years ago, we very worried about events in the Federal Republic of Germany when the NPD was threatening to surmount the 5 % hurdle and, in fact, managed to do so in a number of *Länder*. I also remember how, in a number of other places in Western Europe, meetings were held of ex-Nazis and figures on the extreme right of the political spectrum, with ideals similar to those of the Nazis during the war years. I do not think that their numbers have increased in the meantime. This is an important fact which should set the tone for any debate on this subject. I am certain that, by adopting a more tolerant attitude, the press, radio and television are not fanning the flames of resurgent Nazism. Indeed, I feel that the exact opposite is the case. It is precisely the greater openness and frankness of the media — and I am thinking in particular of the screening of 'Holocaust', which has been mentioned a number of times here — which has provided increased opportunities to learn the facts. There is no better way of opposing anti-semitism, Nazism, fascism or whatever than to present the public with the facts of what really happened.

I believe that it is precisely in this respect that we are witnessing some extremely promising developments at the moment. I can therefore see no need for the first two questions tabled by the French Communist Members. Indeed, I think it is unfortunate that they should have been tabled, because they are then automatically linked with the third question, which is a perfectly valid one — the problem of the time-limit for the prosecution of war crimes. I think it is right that this House should exert pressure to prevent such crimes against humanity going unpunished. My colleague, Mr Stoffelen from the Council of Europe quoted figures from reliable sources which indicate that there are still something like 4 000 major war criminals at large in Europe. To impose a time-limit for prosecution of such crimes would be utterly scandalous. On behalf of my group, I should like to add my support to the initiative taken by the Council of Europe urging that the European Convention of 1954 be ratified. The only major country that has done so so far is France. The question does not arise in the United Kingdom because British law knows no such thing as a statute of limitations for criminal offences. At the same time, political and legislative action is being taken to prevent the time-limit being invoked in those countries where it does exist. Here again, there are now promising signs — for instance, in the debate which is currently going on in the Federal Republic of Germany — that things are moving in our direction.

Dankert

Mr President, my group will be tabling a motion for a resolution on this point.

President. — I call Mr Ansart to speak on behalf of the Communist and Allies Group.

Mr Ansart. — (*F*) Mr President, Mr President-in-Office, 24 people, representing the resistance fighters' and concentration camp survivors' organizations have taken their places in the public gallery. Their political affiliations range across the whole spectrum, and they represent something like 70 % of all the former resistance workers in France. I should like to welcome them on behalf of the European Parliament. My group has itself just received these visitors, who include eminent personalities who have suffered themselves and who have lost relatives and friends. We had a wide-ranging exchange of views, and at the end of the discussion, our visitors presented me with a short document, which I should like to read out to you :

'The French associations and committees of survivors of concentration camps call on the European Parliament to appeal to the Federal Republic of Germany to remove the time-limit for the prosecution of Nazi war crimes and crimes against humanity. On 26 November 1968, the United Nations solemnly declared that there could be no time-limit on war crimes and crimes against humanity. The Federal Republic of Germany, however, has decided to implement such a time-limit with effect from 31 December 1979. The Franco-German agreement on the punishment of war criminals who have been found guilty in their absence in France will thus be violated and effectively rendered null and void by the Federal Republic of Germany, which would be an extremely serious development. It would constitute, from 1980 on, an act of good-will and support towards Nazi criminals and their apologists, and would amount to an insult to the memory of those people who were martyred by the Nazi regime. In this regard, the Federal Republic of Germany — more so than any other country — has a duty to respect the basic principles laid down by the United Nations.'

I took the liberty of reading out this document, Mr President-in-Office, because I am afraid I must say that I found your first reply extremely brief and, in my opinion, too imprecise.

I should like to stress that, as far as the Communist Group is concerned, there can be no question of picking on Germany. This is not our customary way of looking at things. We are not, and never will be, motivated by such sentiments as xenophobia and nationalism. However, our grievous sufferings have taught us to be on our guard against resurgent neo-Nazism and the growing fascist challenge. I think we should be guided by one of the fine lines written by the poet Aragon who, in a magnificent poem dedi-

cated to the immigrants, has the Armenian Manouzian say: 'I die without hatred for the German people'. All we are concerned about here today is liberty, democracy and respect for our dead and this is why I took up the theme of my honourable friend, Mr Gérard Bordu.

President. — I call Mr Caro to speak on behalf of the Christian-Democratic Group (EPP).

Mr Caro. — (*F*) Mr President, in a debate which is bound to evoke feelings of sadness and grief in all of us, I should like to make a point of avoiding any hint of excessive sentimentality in expressing my agreement with the ideas contained in the oral question tabled by Mr Bordu.

It does not bear thinking about that anyone who has committed crimes against humanity for ideological reasons should be allowed to reap the benefits of a time-limit on his crimes. If — as Mr Dankert put it so well just now — we genuinely want to educate our peoples, including the younger generation, we must above all leave them in no doubt that we can never tolerate the idea of war criminals being given a sort of certificate of good character, no matter what government is in power at the time. This is basic to our code of morals and to the kind of society we want to build. If the Europe we are trying to build on the basis of direct elections were to be saddled with this moral burden, what we would have would be not Europe, but something much more problematical.

Secondly, I do not think it is our job now to evoke feelings of suspicion, bitterness or rancour. When he spoke about our dead just now, Mr Ansart said that there was a job of moral revival to be done. The deportees are living proof of what went on in the past. In Alsace we still have the problem of those who were conscripted into the German army, and as you know, this problem, which has caused feelings to run high in France, is now well on the way to being settled thanks to close cooperation between the Federal Republic of Germany and the French Government.

As an inhabitant of Alsace and a Member of Parliament for that border region, I should like to say that we have been impressed by the democratic and humanitarian change in our German friends across the Rhine. If ever there was a nation with the onerous task of preventing the return of anti-humanitarian activities from souring our relations, the Germans are that nation.

It would be a retrograde step to stir up suspicion and fear unnecessarily. We have no right to point an accusing finger at any Member State of the Community. What we are engaged in as a joint effort based not only on the Human Rights Convention, but also on the convention adopted by the Council of Europe in 1974.

Caro

The Christian-Democratic Group, on whose behalf I have the honour of speaking, calls for the elimination of any manifestations of fear or xenophobia from our debates. Unfortunately — and I should like to stress this point — some people are being rather too zealous in their contributions to debates like this one, with an eye to the direct elections. I hope that, at this time of remembrance, we can subjugate our political feelings to the more important sense of solidarity. There is no reason to start up any great debate on this subject. We must join forces to prevent the recurrence of such racist and fascist crimes.

IN THE CHAIR: MR ZAGARI

Vice-President

President. — I call Mr Lagorce.

Mr Lagorce. — (*F*) Mr President, ladies and gentlemen, I am speaking in this debate in a personal capacity and as a veteran of the struggle against Nazism and fascism in the last war. The European dimension of this house seems to me to be a particularly apt context for a discussion of the resurgence of a pernicious and provocative anti-semitism and neo-Nazism. For some time now, practically every Member State of the Community has been witnessing signs of this resurgence of feelings and activities which we thought — and hoped — were dead and buried. In reply to Mr Dankert, I could cite any number of recent examples of this resurgence, particularly all those publications, articles and statements whose aim is a systematic distortion of history so as to minimize — or even deny — the crimes perpetrated by the Nazis. I would draw your attention to the statement made by Darquier de Pellepoix, the former Commissar for Jewish Questions in the Vichy Government — a statement repeated by Professeur Faurisson — to the effect that there were no such things as extermination camps. There is an embarrassing wealth of indisputable evidence of the existence of a state of mind which manifests itself in activities contrary to fundamental liberties and human rights, these very same human rights that we are so keen to see respected by other nations and which we rightly want to see expressly mentioned in the future Lomé Convention, which is currently being renegotiated.

The racist campaign and the various things that have been going on in all our Member States have different roots, but they are linked by a common ideology, and it is this element of orchestration which is especially worrying. And the concern is increasing, because this phenomenon is appearing hand-in-hand

with an equally worrying outbreak of violence, which is having more and more effect on both individuals and social relations. But the fact that this sense of insecurity is being felt first and foremost by certain religious and ethnic groups within our Community is clearly intolerable. Of course, we must not follow in the footsteps of Proudhon and Marx and become the apostles of a new kind of intolerance. We have no wish to restrict anyone's right to hold an opinion, regardless of the ideas, the facts and the persons involved. But any such opinions should not appeal to racism, intolerance or coercion.

There must be an end to anti-semitism and the neo-Nazi groups must be broken up. Contrary to Veuillot's aphorism, we must apply the principles of neo-Nazism to the neo Nazis, and deny them the rights they would enjoy under our principles. We do not have the right to remain neutral and indifferent. As Mr Bordu and Mr Krieg said, what we are concerned with here is not simply pious words. The subject is too serious, the peril too menacing, the future too uncertain. If the governments of the Community fail to react promptly and effectively, if they continue to tolerate anti-semitism and allow groups of neo-Nazis to flourish, we shall soon be back to the situation in 1932, and history will begin all over again. And who can say where that would lead us? If we continue along this dangerous path, every one of us runs the risk of one day being himself or herself somebody's Jew and the helpless victim of a new dictatorship whose only unfamiliar feature would be its colour and its ideology.

Anti-semitism is only one form of the general phenomenon of racism, and it is up to the Community to fight racism at European level. The Community has already taken steps in this direction; it is, for instance, to its credit that it signed the Convention of Lomé, which is concerned with establishing new relationships on an equal and non-discriminatory level between the developed and developing countries, without the latter being dependent in any way — at least in principle — on the former.

The Community went even further a few days ago at Bordeaux, when the Joint Committee on the Lomé Convention once again condemned the policy of apartheid pursued by South Africa, and at the same time adopted a generous and humanitarian declaration by which the Community undertook to respect the rights of all nationals of ACP States resident within the Community and to improve the living conditions of all immigrant workers.

The Community must now go even further. Let me end with the moving question put by Mr Pierre Bloch, a former minister in the French Government and President of the International League against Anti-Semitism and Racism: 'Could it be that, after 35 years, the immense scale of the martyrdom might be forgotten,

Largorce

that the memory of the dead might be engulfed by indifference and that a warning as tragic as this one might be forgotten or ignored?' The response came from a leading French Catholic, Monsignor Etchegary, the Archbishop of Marseilles, who symbolizes the spirit of mutual understanding which must exist between men of goodwill, no matter what their religious, philosophical or political beliefs, and who are united in saying that: 'We cannot forget what has happened, because the same may happen again in the future'.

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (*D*) Mr President, ladies and gentlemen, the honourable Members who tabled this oral question may not realize that their question shows just how much progress we have made towards greater political cohesion within the Community, because it is of course only within a cohesive political community that the basic principle of non-interference in another country's affairs does not apply. In a European Community like ours, all the Member States have the right to use forums such as the European Parliament to air their concern at what is happening in any other Member State. It is, however, always difficult to be fully informed about what is happening in the other Member States of the Community, and of course there will often be cases where the available information is rather less than complete. There will also be cases where the information we do have is distorted or, at least, rather less than objective. For this reason, Mr President, I shall restrict my comments in the main to the situation in my own country and concentrate on that rather than on what is going on in other countries.

The oral question tabled by Mr Bordu and others speaks of the increasing activities of neo-Nazi splinter groups. I must say at this point that no increase in such activities is evident in the Federal Republic of Germany. It is true that more activities of this kind have come to light recently, but only because such activities are fortunately now being given more publicity than has been the case in recent years. There is, however, one phenomenon, Mr President, which is giving us cause for special concern, and that is that right-wing extremists have been learning from terrorists at the other end of the political spectrum how to set up terrorist groups. At the moment, there are a number of court cases going on in the Federal Republic of Germany involving right-wing terrorist groups and other neo-Nazi activities, and in a number of cases, judgement has already been given against right-wing extremists. This does not mean to say that, since these people have never yet achieved more than 1 % in a federal election, we are simply going to rest on our laurels. As far as West German democrats are

concerned, vigilance is our motto, and we shall not let up in this. On one point I should like to echo what Mr Dankert said, and that is that no one can say — at least not in my country — that the mass media are increasingly well disposed towards right-wing extremists and neo-Nazis.

My political opponents in the Federal Republic, the CDU/CSU, frequently go to the other extreme and see 'Reds under the beds' claiming that the mass media have been infiltrated by communists. I think these diametrically opposed views show clearly enough that the rival claims are both wide of the mark.

I cannot, thank heaven, report that assaults and even the murder of migrant workers are increasing. I should also like to comment briefly on the question of meetings held by former SS members. This is a very complicated question which I cannot go into in any great detail. The former members of the *Waffen-SS* include hundreds of thousands of soldiers who were conscripted into the German army. Of course we must draw a distinction between neo-Nazi political activities, which have occasionally gone on at these meetings and against which steps must be taken, and meetings of war veterans, which are held in every country.

Mr President, I am grateful for what the honourable Members have set out in Point 2 of their oral question. As far as I am concerned, it is of the utmost importance that we should, as the oral question says, take a stand against any distortion of the facts about a tragic period in the history of our countries and prevent a situation where the danger of racist and fascist ideas is played down.

Mr President, I think this idea is absolutely right because, as Willy Brandt once said — and no one could have put it better — no one can disown his own history. None of us can do that. We all have to come to terms with our past, and what we in the Federal Republic of Germany have to come to terms with is of course in no way comparable with what went on in the other Member States of the Community. In Germany, it is the awful heritage of the Nazi dictatorship that we have to come to terms with, whereas other countries have to digest memories of collaboration with the Nazi forces of occupation. We all have to face our own pasts, and whenever we hear young people say, as I have heard recently in my own country, that it is not their history, it is up to us to point out to them the error of their ways. The same goes of course for the other part of Germany, the GDR, where the politicians cannot simply pretend that they had nothing at all to do with these things and that all the Nazi criminals came from West Germany.

Sieglerschmidt

Let me now comment briefly, Mr President, on the time-limit for prosecution. The first point I think I should make is that the time-limit has already ceased to apply in thousands of cases involving Nazi criminals, where the legal machinery will continue to grind away whether or not the time-limit comes into operation on 31 December 1979 because, as I said before, proceedings are already under way and the time-limit does not therefore apply. There is very little likelihood — apart from a small number of cases in which war criminals are still in hiding — that any significant number of new cases will come to light after the time-limit has come into force, unless somewhere in Europe or the rest of the world, someone is holding back relevant documents, which I cannot believe — at least, I hope such is not the case.

Mr President, I think there are two other questions at issue here as well. Firstly, we would all find it intolerable if as few as four or five — or, indeed, only one — of these criminals were to emerge from hiding and, enjoying the immunity bestowed by the time-limit were then to live among us as free men, boasting of their heinous deeds, writing their memoirs and I don't know what else. Secondly, whatever arguments we put forward to justify the time-limit on the prosecution of crimes, I know from a number of discussions with victims of Nazi persecution in the Federal Republic and in other parts of the world that a decision in favour of the time-limit would not meet with any understanding on the part of these victims. They would be deeply offended, and that is why many people in the Federal Republic and most of my Social Democrat colleagues in the *Bundestag* and many of our Liberal allies feel that the time-limit for the prosecution of murderers should be rescinded, and we have a good chance of getting a majority in the *Bundestag* for our point of view. The European Parliament would undoubtedly strengthen our case by adopting the motion for a resolution which I and a number of other Members have tabled on the question of the time-limit.

Mr President, let me say in conclusion that, in the light of the whole question of the resurgence of neo-Nazism and the time-limit for prosecution, we should not forget that — to quote an old German proverb — the devil often appears where he is least expected. I certainly do not think that we should take the dangers of neo-Nazism and right-wing extremism for granted, but at the same time we should not make the mistake of being blind on one eye and overlooking the threats to our democratic way of life that may be looming from a different side. I should like to make it quite plain, Mr President, that I belong to the generation which came back from the war still as young men, and these young men — and there are many of us in every political party in the Federal Republic went in for politics immediately after the war because we

wanted to do our bit to prevent a recurrence of what happened in Germany between 1933 and 1945. That is why I and many other people took up politics, and I am quite confident that the politically motivated section of the younger generation in the Federal Republic of Germany is conscious of its historic responsibility and will continue to bear that responsibility in mind.

President. — I call Mr Bordu.

Mr Bordu. — (*F*) Mr President, I should like to comment on a number of aspects of this debate and to put a number of questions to the President-in-Office.

I should like first of all to point out that some of the arguments advanced in the course of this debate have undoubtedly been aimed at belittling what happened, and this is something which we simply cannot accept. I should like to say to Mr Caro that what we are concerned with here is not sentimentalism and political manoeuvring. We must not play down the enormity of the tragic events of the Hitler era. To forget that is to pardon what went on, and that, Mr President, is impossible.

Let me say to those who seek to play down what went on in the past that 'Holocaust' and the debate it has provoked clearly show how much interest there is in a period of history which is a closed book to a younger generation, who have heard nothing about his period at school. We must talk about this period, we must explain what went on, whether or not it meets with the approval of those who have taken part in this debate. We shall refrain from pointing an accusing finger at anyone, but there must simply be some discussion of the subject. We still have survivors of that time who can talk and write about what went on and who struggle through each and every day because of what they and their friends and relatives have suffered, because they have seen and been through incredible and unmentionable things, which people today simply do not know about and do not want to know about. Let me repeat: there are people who are still suffering the effects of that era and who are now listening to what is said here in this House. We must do everything in our power to ensure that nothing like these atrocities can ever happen again, and so that the whole world realizes what facism means, wherever it raises its ugly head. By doing all we can to prevent a repetition of history, we shall be rendering a service — and not a disservice — to all the peoples of the world.

It is perfectly possible for the same causes to have the same effects after a number of years. It is true that we have heard reassuring statements from the nine ministers, but I would say that refusing to acknowledge the reality of the resurgence of neo-Nazism is another thing entirely. What we expect — the victims along

Bordu

with the democrats — is a ban on official demonstrations by these people who think they have the right to start on a small scale what they would like to see later carried on on a much larger scale. The commitment of the cause already exists and is beginning to find expression. If we tolerate such a development, we shall be tolerating nothing less than Nazism itself. Our aim, Mr President, is not to create an aura of suspicion. The facts, Mr Caro, speak for themselves. They exist and they are there for all to see. So why try to ignore them at any cost? What is the point in trying to play them down? By doing so, you are not bringing any more clarity into this question of someone else's responsibility for the past as well as for the future. After all, such responsibility does exist.

Is not the refusal to revive the commemoration of 8 May yet another aspect of this determination to forget? This is what we reject, just as we reject the neglect of those periods which were among the darkest ever experienced by Europe. Our aim in so doing is not to jeopardize the necessary and urgent job of reconciliation between peoples, but the question is, how should we go about this work? Peoples as such have never declared war on each other, just as they never invented Nazism or facism. Instead, they themselves became the victims of this barbarous invention which was designed to maintain and further the selfish interests of the ruling classes against the working class and against entire peoples. There were, on the other hand, individuals who took a sadistic pleasure in meting out punishment to Jews, Communists or simply democrats who did not support the Nazis and who had the courage to say so and to fight the oppressors.

The spirit of reconciliation can be established in the minds of individuals and entire peoples and by atonement for crimes committed in the past, but can never build on a willingness to forget. Such forgetfulness is not one of the attributes of the forces of violence which are now reappearing and which are meeting with so much official complacency from authorities which are not prepared to show sufficient willpower or deploy sufficient resources to impede their progress. To adopt a tolerant attitude to fascism is tantamount to tolerating the destruction of basic liberties.

I would point out that Nazism did not simply mean anti-semitism — one aspect of modern violence — and this is why those peoples who suffered during that period are now protesting against the resurgence of neo-Nazism.

Mr President, Mr President-in-Office, I hope that the Political Affairs Committee will soon discuss the docu-

ment which was handed over by the French organizations which are listening to this debate, asking for consideration to be given to their opposition to the time-limit on the prosecution of crimes committed by the Nazis.

I should like to ask you, Mr President, to say something on the question of the time-limit. I think you should do so, if not on behalf of the Nine, then at least on behalf of those you can rely upon to show that there is, in this House, a national determination and not only a European determination on these questions.

I should like to conclude by stating that we shall be tabling amendment amedment to the motion for a resolution tabled by the Members of Socialist Group, pointing out that there is a time-limit and that it is 31 December 1979.

President. — I call Mr Caro to speak in a personal capacity.

Mr Caro. — (*F*) Mr President, as Mr Bordu referred to something I am supposed to have said, I should just like to clear up any misunderstanding. I said that I personally did not want to introduce any excessive sentimentality into this debate. I certainly did not accuse Mr Bordu of indulging in such sentimentalism. If he thinks that is what I did say, then that is his interpretation; it is certainly not mine.

Secondly, I think I dealt with the substance of this debate in considerable detail on behalf of the Christian-Democratic Group, and rightly condemned the crimes against humanity which were the fruits of fascism and racism. We have survivors who can testify to what went on, and there are also the silent witnesses, the dead. I think this should suffice and that we should not try to score points off each other in a debate which should be as calm and reasoned as possible.

May I take this opportunity to remind you — and you will forgive me for resuming my role as a Member of Parliament from Alsace — that quite apart from the dreadful crimes committed by the Nazi fascists, there were also people from Alsace and Lorraine, Luxembourg and Belgium who were forcibly conscripted into the German army and then imprisoned in Soviet camps during the war. Let us not forget that these too were war crimes. We cannot banish them from our memory, and to make this a really full debate, I thought it necessary to make this perhaps rather over-emotional last point to remind certain people to show a little more discretion and to realize that hypocrisy should have no place in this debate.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Foreign Ministers — (F) Mr President, although the strict rules governing political cooperation which I have to abide by did not permit me to deal with all the questions raised by Mr Bordu and the rest of the speakers in this debate, I know that the Members of this House realize that the nine Member States of the European Community are untiringly vigilant in their efforts to stamp out racism and anti-semitism. The reason why I did not tackle the question of the time-limit on the prosecution of war crimes was not because it was not possible to do so, but because the Community's procedural rules prevent me — as you know — from speaking here before you on questions which have not yet been discussed among the nine Member States. That is the only reason why I was unable to make a statement on behalf of the Nine on this question here today. In other words, it was not a point-blank refusal to discuss the question, but simply — for the time being — a procedural matter. Mr Bordu therefore has no right to conclude from this that the nine Member States are in any way tolerant of racism or anti-semitism. As you know, most of the nine Member States of the Community are signatories to the international agreement on the elimination of all forms of racial discrimination which was drawn up under the auspices of the United Nations and which came into force on 27 August 1971.

I too should like to welcome the leading members of the associations of deportees, who suffered at the hands of their persecutors, and who are in the public gallery today. I also see in the public gallery a large number of young people who, like me, were born after the war and who know that they owe their freedom today to the sacrifices made by an earlier generation. In these two groups, who are here this evening to listen to our debate, I see a symbol of the Europe of tomorrow, a Europe which is aware of its past, which has not forgotten what happened, but which does not want to see any obstacle placed in the way of the construction of Europe, which is the surest way of preventing the recurrence of those dangers which we all want to see banished once and for all.

President. — I have received from Sir Geoffrey de Freitas, Mr Fellermaier, Mr Dankert, Mr Lagorce, Mrs Dahlerup, Mr Glinne, Mr Zagari, Mr Schmidt, Mr Kavanagh and Mr Seefeld a motion for a resolution (Doc. 625/78) with a request for an early vote, pursuant to Rule 47 (5) of the Rules of Procedure, to wind up this debate.

The motion for a resolution will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

15. Agenda

President. — I have received from the enlarged Bureau, which met earlier today, a proposal to modify

the agenda for the sitting tomorrow, 15 February 1979, as follows:

- the oral question (Doc. 534/78) by Mrs Krouwel-Vlam on medical equipment, withdrawn from the agenda for 13 February 1979, will be placed on the agenda of the sitting of 15 February 1979;
- the Johnston report (Doc. 584/78) on the expulsion from Malta of Mr von Hassel will be postponed to the next part-session.

Since there are no objections, that is agreed.

16. Situation in the Far East and in Africa

President. — The next item is the oral question with debate (Doc. 602/78), tabled by Mr Klepsch on behalf of the Christian-Democratic Group (EPP), to the Foreign Ministers of the nine Member States meeting in political cooperation:

Subject; Situation in the Far East and in Africa.

In view of the fact that developments in the Far East and Africa regularly attract worldwide attention and threaten peace, what positions have been taken by the Governments of the Member States regarding the situation in the Far East following the invasion of Cambodia by Vietnamese troops and the permanent threat of conflict between Somalia and Ethiopia?

I call Mr Jahn.

Mr Jahn. — (D) Mr President, ladies and gentlemen. The world political situation has become dangerously confused in the past few months. This is true of all areas, and in a number of sectors the traditional great powers have found themselves in confrontation. The Soviet Union, which claims to be the bulwark of détente, has in recent months repeatedly been branded by the Chinese as a highly dangerous warmonger. The struggle for world hegemony is being waged with grim determination. The spirit of the Geneva Conference and of Helsinki has not led to cooperation and security. In Eastern Asia China and the Soviet Union have conflicting interests. The Soviet Union wants to bring the whole of Indo-China into its sphere of influence, and here Vietnam is its satellite. Laos has been quietly carved up and Cambodia overrun. The current president of Cambodia has said the world should be told that his predecessors — also a Communist regime — coldbloodedly, as he put it, slaughtered 3 million people. With the fall of Cambodia the first stage of the Soviet strategy has been successfully completed. Hundreds of thousands of Vietnamese refugees are seeking safety on foreign shores. Those who a few years ago shouted 'Yanks go home' — from Vietnam — to make way for peace were making a mistake and are now bitterly disappointed. It is Vietnamese refugees who are seeking asylum throughout the world. Tens of thousands of them have drowned like rats in the past few weeks,

Jahn

while the world looks on. It seems that China is not prepared to take this lying down. It appears from reports received in the last few days that 120 000 crack Chinese troops have been drawn up on the border with Vietnam. What we have here is not détente but increasing tension, and no one can say whether there will be an explosion.

In the ASEAN area the fear is that the wave of aggression could overflow into these countries. Units of the Soviet fleet are demonstrating the world might of the Soviet Union from the Pacific to Africa. The Chinese want to break out of their political isolation and have been busy in the past few months developing relations with Europe, the United States and Japan. The Soviet Union is worried about the emergence of China as a dynamic economic power. They make no secret of this and have been writing threatening letters to Western industrial countries, warning the heads of government against supplying arms to China. One Communist State is afraid of the power of the other.

In the past few months Soviet policy in Africa and Asia has taken an aggressive turn. The main thrust of their policy has been directed at the Western strongholds to the south of the Soviet Union. Afghanistan has been subjugated, its leaders shot in droves. Not a word of protest from world public opinion! Today, as all the experts will confirm, Afghanistan has been incorporated into the Communist empire. Under pressure, Pakistan has loosened its ties with the West and turned to Moscow. The situation in Iran is confused, but it is a matter for more than a little concern that yesterday and today in its agency reports and newspapers the Soviet Union has been rejoicing at the current situation there. At the height of the troubles the Soviet Union made it unmistakably clear to the Americans that if any foreign power intervened in Iran it might itself make use of the right of intervention — a right which it fact has on the basis of a treaty dating from 1921 which is still valid under international law.

The collapse of security in the Persian Gulf threatens the whole of the West's energy supplies. From this area Japan receives 90 %, Europe 70 % and the United States 60 % of their oil. Whoever gets control of this oil-producing region can call the tune in world politics. The Soviet Union and its satellites, with troops from the other part of Germany, the GDR, have forced Ethiopia into submission. What has been happening there — in a brutal civil war — has held the attention of the world press for months. With its domination of the Yemen the Soviet Union controls all sea traffic from the Indian Ocean to the Mediterranean. No less a figure than the former American Secretary of State, Henry Kissinger, has argued that world peace has never been so seriously threatened as in recent weeks. He points to the expansive foreign policy of the Soviet Union, which has nothing, abso-

lutely nothing to do with détente. It is also the Soviet Union that wants, by putting pressure on the other Arab States, to obstruct the peace settlement between Israel and Egypt.

The question for the Council is whether the time has not come for the nine Member States of the European Community to coordinate with the United States their foreign policy towards the areas of tension in the world, particularly in the southern hemisphere. In such a situation nationalistic, one-sided action in defence of the interests of individual industrialized countries may be successful for a short time, but in the long run the West as a whole will suffer a loss of security and be deprived of its supplies of raw materials. Now is the time for the major Western powers to work constructively together in all their decisions and develop a joint policy to ensure peace, not to provoke aggression and hinder détente but to show that they want to bring peace, prosperity and progress to the peoples of the southern hemisphere, as we have often declared in this House. I am glad that there has been such frank discussion here on the appalling and inconceivable violations of human rights committed in my country, that we have over the years discussed violations of human rights in all parts of the world and that this House has protested against crime against humanity whenever necessary.

I would merely ask that in our coming discussions we should not forget that crimes against humanity are still being committed today, and that it is our duty here to fight for the right of all men to live in peace and freedom.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, *President-in-Office of the Foreign Ministers.* — (F) Mr President, the extremely short time available has meant that the Council has not been able to obtain the approval of the nine Member States for a reply. Consequently, because of the rules relating to political cooperation, it will not be possible for me to reply to the substance of the question that has just been raised.

For my own part, however, I should like to say that the Council is fully aware of the problems that have been raised and I shall take careful note of any discussions that are held in this Assembly; I can inform my colleagues of the Nine of what is said, but I am not in a position today to speak on their behalf in the course of this debate.

President. — I call Lord Bessborough to speak on behalf of the European Conservative Group.

Lord Bessborough. — Mr President, I am sorry that I was not here to hear Mr Jahn's introduction. I was delayed by other parliamentary matters, but I would like to say that the European Conservative Group is very much concerned at the continuing war and

Bessborough

repression in the Far East and in Africa. Citizens in the Community can see almost nightly on their television screens refugees from Vietnam and Kampuchea. In difficult economic circumstances the Community must show as much charity as possible in harbouring a proportion of the refugees.

But the basic problem must be recognized, namely that the Soviet Union is supplying arms to support a new tyranny in Kampuchea. It seems that Vietnam, with traditional hostility to China, is Soviet-orientated. We must recognize that China fears encirclement by the Soviet Union, just as Europe does. In Ethiopia, the government of Colonel Mengistu is supported by the Soviet Union, without which the war in Ogaden could not have been pursued. The governments in South Yemen and Aden are not pro-Western, to put it mildly, and the port of Aden affords facilities to the Soviet navy. What point is there in having the Suez Canal available for shipping raw materials and other products to the Community and for shipping the Community's exports to East-African and Far-Eastern markets if the Soviet Union can close the Bab-al-Mandab Strait at will?

Thirdly, external interference continues to affect the internal situation in Zaïre. In Zimbabwe-Rhodesia, Soviet-supported guerillas claim to have shot down a second civilian aircraft, killing 56 people. There are still substantial Cuban forces in Angola. The Western powers are paradoxically giving their support to the Soviet-supported South-West Africa People's Organization (SWAPO) in Namibia. Can we forget President Brezhnev's statement to a Comecon conference, quoted in *Le Figaro* last August, that it is one of the aims of Soviet policy to bring Europe on bended knees for supplies of raw materials? I hope, Mr President, you don't think I am exaggerating here: I certainly don't think I am. All these countries are suppliers of strategic materials to the Community, to Community firms. The common market in industrial products would grind to a halt without these raw

materials. This is a matter under Article 235. We need to know what the Council is prepared to do, and I ask the President-in-Office for his views on this subject — he didn't seem to me to express very many just now. What is the Council prepared to do, what is it indeed doing now, to create the right human, political and economic relationships with African nations and with the nations of the Far East to strengthen their independence and establish respect for human rights?

President. — The debate is closed.

17. Agenda for next sitting

President. — The next sitting will be held tomorrow, Thursday, 15 February 1979, at 10 a.m. and between 3 p.m. and p.m. with a possible resumption at 9 p.m., with the following agenda:

- decision on request for early vote;
- continuation of debate on the statement by the President of the Commission on the Twelfth General Report;
- Laurain report on the social aspects of the iron and steel policy;
- Martinelli report on economic and trade relations between the EEC and Australia;
- oral question with debate to the Commission on relations between China and the Community;
- H.W. Müller report on intra-Community trade in power-station coal;
- oral question with debate to the Commission on imports of uranium from South Africa;
- oral question with debate to the Commission on flood relief in south-east England;
- oral question with debate to the Commission on Community safety control of medical equipment;
- 3 p.m.: Question Time (questions to the Commission);
- 3.45 p.m.: Voting Time.

The sitting is closed.

(The sitting was closed at 6.25 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers

Question No 34 by Sir Geoffrey de Freitas

Subject : Opening of Government contracts to companies from all Community countries

What action has been taken by the Governments of the Community to meet the timetable for the opening of Government contracts suggested by the Commission at Question Time on Tuesday, 16 January 1979 ?

Answer

The Council is not in possession of the information which would enable it to reply to the question. Furthermore, it would call the honourable Member's attention to the fact that, as Viscount Davignon pointed out in January it is the Commission's responsibility to ensure that Community acts are implemented by the Member States.

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Question No 35 by Mr Ansquer

Subject : Quotas for Community special steels exported to the USA

Since 14 June 1976 Community exports of special steels to the USA have been subject to a strict quota. Does the Council not feel that it should act to put a prompt end to a situation which goes against the rules of GATT at a time when the Community's special steels industry is going through a crisis comparable to that affecting ordinary steels ?

Answer

1. As soon as the system of quotas for special steels imported to the United States was introduced, the Council studied the resulting situation. In particular it protested against the fact that, in a situation in which steel production throughout the world is beset by difficulties, the American authorities should have sought to solve their internal problems at the expense of European industry.

As long ago as 1976 the Community disputed the compatibility of the American measures with the rules and principles of GATT, in particular during the consultations which were immediately begun with the United States. It expressly reserved the rights to which it is entitled under Article XIX of GATT.

2. At the same time, and pending the total abolition of the disputed measures, the Council has closely observed the way in which the American authorities have administered the quota system in question. On numerous occasions requests for a certain number of adjustments have been made to the American authorities, in particular during the high-level biannual consultations between the Commission and the United States, and these requests have been complied with. This has, on the whole, enabled the European steel exporting industry to maintain a place in the American market.
3. The Council is aware that the present system is due to expire on 13 June 1979. The Community will urge the American authorities not to extend it beyond that date

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Question No 36 by Mr Hoffmann

Subject : Strengthening the economies of less prosperous countries.

Will the Council make available to the European Parliament the report by the Economic Policy Committee on measures to strengthen the economies of the less prosperous countries in the context of the EMS?

Answer

The Council regrets that it cannot meet your request for the report of the Economic Policy Committee as the document in question is an internal working document.

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Question No 41 by Lord Bruce of Donington

Subject : Commission proposals

Is the Council aware that, according to Commission paper SEC(79)24 final of 12 January 1979, there were, as at 1 January 1979, 278 Commission proposals covering a wide range of EEC matters upon which Parliament had delivered its Opinion and which were still pending before the Council awaiting decision and that these relate back as far as 1968 as per the following table :

Year in which Opinion was delivered by the European Parliament	Number of Commission proposals still pending
1968	5
1969	3
1970	11
1971	3
1972	12
1973	10
1974	25
1975	23
1976	30
1977	53
1978	103
	<hr/>
	278
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What steps does the Council propose to take to reduce the backlog?

Answer

It is true that the figures quoted by the honourable Member show that in certain instances there may be some considerable time between the submission of the Commission proposals and delivery of the European Parliament's Opinion, on the one hand, and the adoption of the Council decision on the other hand.

I would point out, however, that among the proposals pending before the Council there are a number which, in the Council's opinion, are out of date and on which no work is being done.

As regards other proposals, work is continuing within the Council but the complex and technical nature of these proposals explains why the work has not yet been completed.

However, I would draw the attention of the honourable Member to the trend, which has been apparent for some time, towards a balance, year on year, between the number of proposals submitted by the Commission and the number of decisions taken by the Council. I would mention as an example that in 1976, 1977 and 1978 the Council adopted, on the basis of proposals submitted to it, 1968 Regulations, Directives and Decisions, having received 1956 proposals from the Commission. In view of this information and of that fact that the Commission regularly withdraws some of its

proposals, it appears to me that the number of proposals pending before the Council which are mentioned by the honourable Member will fall considerably.

Question No 43 by Mr Osborn

Subject : European space programme

What consideration has the Council of Ministers given to a European space programme, and to industrial and applied implications for the Community as a whole, and how does it visualize the relationship with Member Governments and the European Space Agency ?

Answer

To date the Council has not had occasion to discuss a European space programme. The proposals which it has received from the Commission relating to the economic and industrial needs and the long-term objectives of the scientific and technological policy and their programme implications have not dealt specifically with space.

Question No 44 by Mr Prescott

Subject : Fisheries in the renegotiation of the Lomé Agreement.

What consideration is the Council giving to specific proposals for fisheries cooperation in the context of the renegotiation of the Lomé Agreement !

Answer

On the basis of a Commission proposal, the Council adopted, at its meeting on 19 December 1978, additional negotiating directives concerning sea fishing for the future ACP-EEC Convention which take into account both the need to ensure good relations between the Community and the ACP States in as many fields as possible and the Community's interest in maintaining, restoring and increasing the fishing activities of Community vessels in waters coming under the jurisdiction of the ACP States.

At the ACP-EEC Ministerial Negotiating Conference on 21 December 1978, it was pointed out to the latter that :

- the Council of the Community has since 1976 acknowledged the Community's exclusive competence as regards fishing, and that it is therefore for the latter to negotiate international agreements in this field ;
- the Commission wants the future ACP-EEC Convention to include a text which takes into account Community competence in this field and the developments in the law of the sea over the last few years.

The Community also pointed out that :

- the text which it wants should be confined, as is the present text, to laying down general principles, since the fishery agreements themselves continue to be bilateral acts, negotiated individually between the Community and each ACP State concerned ;
- the text of the new Convention and the bilateral agreements would in no way rule out the possibility for each ACP State to request, within the framework of its programmes, assistance from the EDF for projects to develop its national fishery sector ;
- the Community could not be treated less favourably than other third countries in this field.

The ACP States took note of these statements, which will probably be examined in greater detail during the forthcoming negotiation meetings on the new Convention.

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IN THE CHAIR : MR COLOMBO

(President)

(The sitting was opened at 10.05 a.m.)

President. — The sitting is open.

1. Approval of minutes

President. — The minutes of proceedings of yesterday's sitting have been distributed

Since there are no objections, the minutes are approved.

2. Documents received

President. — I have received from the Council requests for an opinion on :

— a proposal from the Commission to the Council for a decision on a financial contribution from the Community to Spain for the eradication of African swine fever (Doc. 623/78)

President

which has been referred to the Commission on Agriculture as the committee responsible and to the Committee on Budgets for its opinion ;

— a proposal from the Commission to the Council for a directive on the approximation of the laws of the Member States relating to edible caseins and caseinates (Doc. 624/78)

which has been referred to the Committee on the Environment, Public Health and Consumer Protection as the committee responsible and to the Committee on Economic and Monetary Affairs for its opinion.

3. *Decision on request for early vote*

President. — The next item is the motion for a resolution (Doc. 625/78) tabled by Sir Geoffrey de Freitas and others for an early vote to wind up the debate on the oral question (Doc. 585/78) on anti-Semitism and neo-Nazism. I call Mr Aigner on a point of order.

Mr Aigner. — (D) Mr President, my group is still meeting. I should be grateful if you could suspend the proceedings for at least five minutes, so that we could fetch our colleagues.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, I find it rather odd that there are members of the Christian-Democratic Group here in the Chamber who are asking for an adjournment because the Christian-Democrats are having a meeting. To be fair, I feel that there should be an adjournment whenever any group has meeting. But the procedure here is somewhat strange. The President has opened the sitting, the Christian-Democrats are here in their places, and yet there has been a request for an adjournment. I leave it to your discretion, Mr President, but the procedure is somewhat unusual. A group can ask for a 15-minute adjournment before 10 o'clock — which is what I did yesterday — so that the sitting is not in fact opened.

President. — The request by the Socialist Group to delay starting yesterday's proceedings in fact reached me before the sitting was opened. This meant that I had time to inform the other groups. Today, however, the request by the Christian-Democratic Group has been made during the sitting. The sitting may therefore be suspended only with the agreement of the House.

I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Am I not right in thinking that in the past when there has been a request for a short interval it has been granted: for example, during the budget session when there was no question of prior notice having been given?

During the budget session a request of this sort was made, and it was granted. In my recollection, no vote is ever taken on this matter. If the request is made, it is granted.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) We could carry on in the hope that the Christian-Democrats arrive. However, Mr President, I am quite prepared to help them and propose that the sitting be suspended until 10.30, so that they can finish their meeting properly.

President. — I feel that your proposal goes farther than the request by the Christian-Democratic Group. The proceedings will therefore be suspended until 10.20 a.m.

The House will rise.

(The sitting was suspended at 10.10 a.m. and resumed at 10.25 a.m.)

President. — The sitting is resumed.

I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, the Christian-Democratic Group has considered this matter and we should find it rather difficult to accept if this request for urgent procedure were rejected. However, let me also say that we can vote for urgent procedure only on the condition that it is clearly recognized that war crimes have been committed throughout the world and not only in one country. This is the point we want to stress. We shall support the request for urgent procedure, provided that there is discussion of war crimes which have also been committed in the world in the past. We could then agree to this request; otherwise, we cannot support it and shall abstain from voting.

President. — I call Sir Geoffrey de Freitas.

Sir Geoffrey de Freitas. — In effect, this is a request for no urgency. I can give no further undertaking beyond what is in the wording of this resolution. It must be obvious that that is all I can do, but I ask the Christian-Democratic Group to recognize that there was a debate yesterday, and I do offer this to the House as something which brings it to a logical and clearcut conclusion. I hope therefore that this claim for urgent procedure will be granted.

President. — I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, I wonder if I have understood Sir Geoffrey correctly. I thought he said: 'I am not requesting urgent procedure. It will not take place.' That is what I heard from the interpreter. I gathered from the translation that we are not concerned with a vote on urgent procedure.

Bertrand

If we are not concerned with this, then I request that the motion be referred to the Legal Affairs Committee and to the Political Affairs Committee. They can discuss the matter calmly, in view of the fuss that has arisen over the present text.

If there is no request for urgent procedure, what in fact has been requested?

President. — I call Sir Geoffrey de Freitas.

Sir Geoffrey de Freitas. — The whole purpose of this is to ask for urgency. What I am saying is that this resolution brings together in, I thought, a very concise way the summary that could be accepted, I thought, by the whole House. That must be judged on its merits. But as regards urgency, we have had the debate, and surely it is most appropriate that we now have the vote on a resolution like this. I am asking for urgency, and I hope the Christian Democrats, having thought it over, will agree.

President. — Mr Bertrand, Rule 47(5) is applied in such cases. It states:

In order to wind up the debate on a question under this Rule, any committee or political group, or five or more Members, may place before the President a motion for a resolution with a request that an early vote be taken on it.

As soon as the motion for a resolution has been distributed, Parliament shall first decide, if necessary after hearing one of the movers, whether an early vote is to be taken.

Should an early vote be decided upon, the motion for a resolution shall be put to the vote at the voting time on the next sitting day without reference to committee. Only explanations of vote shall be permitted.

I call Mr Caro.

Mr Caro. — (F) Mr President, with several of my colleagues I took part in the debate on this subject which has held yesterday in the presence of the President-in-Office of the Council, and I should like to point out that we discussed a question tabled by Mr Bordu and Mr Ansart, but that there was no discussion of the motion for a resolution tabled by Sir Geoffrey de Freitas and others.

You said there was a debate, Mr President. I believe that, strictly speaking, we did not have a debate on this motion for a resolution. I wanted to make this procedural clarification in order to shed a little light on the issue.

President. — Mr Caro, the Rule which I read out makes provision for the placing before the President of a motion for a resolution to wind up the debate on a question, and we had the debate on this question yesterday. I call Mr Caro.

Mr Caro. — (F) Mr President, speaking on behalf of the Christian-Democratic Group during yesterday's debate, I pledged our full support for this motion,

which in any case met with the general approval of the House. There can be no question, therefore, of casting doubt on the motives of any group.

However, with all respect I should like to point out that the document submitted by Sir Geoffrey de Freitas and his colleagues was not distributed until the end of the sitting, and that there was no debate on this document. I just wanted to make this clear, although I bow to your wisdom on the matter.

(Mixed reactions)

President. — Mr Caro, the Rule I quoted is quite explicit. The debate on a question comes first, and when this is over a motion for a resolution with a request for an early vote may be tabled. This is put to the vote at the voting time on the next sitting day without reference to committee.

(Applause)

I call Mr Bertrand.

Mr Bertrand. — (NL) Mr President, may I ask a question? In this case, in accordance with the Rules of Procedure as you read them out to us, is it still possible to table amendments to this motion for a resolution?

President. — In my opinion, it is possible to table amendments before the motion is put to the vote.

Mr Bertrand. — (NL) If it is possible to table amendments, can we agree to urgent procedure in accordance with the interpretation given to Rule 47? If we cannot table amendments, we reject the request for urgent procedure because we feel that this is not a parliamentary approach.

President. — The Christian-Democratic Group will have the opportunity of tabling amendments before a reasonable deadline, say 12 noon today.

Mr Bertrand. — (NL) Mr President, can we not apply Rule 14 in this case?

President. — Mr Bertrand, Rule 14 concerns requests for urgent debates, whereas here we are dealing with a request for an early vote.

We must therefore reach a decision on the basis of Rule 47(5). You are entitled to vote for or against.

Mr Bertrand. — (NL) May I ask if we can have until 3 p.m., until the beginning of this afternoon's sitting, to table amendments?

President. — I call Mr Bordu.

Mr Bordu. — (F) Mr President, I just want to support your move because I consider that you are applying the Rules of Procedure in the proper manner. In my view, we did debate this motion for a resolution yesterday, because we in fact said that we intended to table an amendment. Consequently, this motion was being debated at the same time as the oral question.

Bordu

We should vote on the motion this afternoon. Everyone can put forward his view then and vote for or against the motion which has been tabled.

President. — I call Mr Fellermaier.

Mr Fellermaier. — *(D)* Mr President, this attempt to get round a clearly worded Rule of Procedure is beginning to strike me as somewhat odd. You are making a generous offer — which is not really covered by the Rules of Procedure — and saying that amendments can be tabled until 12 o'clock, and then Mr Bertrand gets up and says: No, we must have until 3 o'clock. May I ask my honourable colleagues in the Christian-Democratic Group just what they think the Rules of Procedure are for? We submitted our motion for a resolution in good time at the conclusion of yesterday's debate.

This morning there were meetings of all the parliamentary groups. If there had been anything you wanted to change, you could have tabled a motion for a resolution just as easily as other Members have done. Let me put it this way: you should not resort to the Rules of Procedure in an attempt to wriggle out of replying to a straightforward question, i.e. do political reasons and your political conscience prompt you to vote for urgency or else to vote 'no'? There is a clear choice, and I call on every Member of the House to make up his mind.

(Applause from the left)

President. — I call Mr Aigner.

Mr Aigner. — *(D)* I should like to advise the Members not to dramatize this issue, because it is obvious to everyone that there is a lot of tactical manoeuvring going on. Anyway, I feel it is a bit much when motions like this are tabled by the Communists of all people.

(Protests)

You know as well as I do who started what.

Mr President, you referred Mr Fellermaier to the Rules of Procedure, and I, too, should like to quote the last paragraph of Rule 47(5), where it quite clearly says:

Should an early vote be decided upon, the motion for a resolution shall be put to the vote at the voting time on the next sitting day without reference to committee.

That means that it will be tomorrow when the motion is put to the vote, and that we have until then to table amendments, which is what we are going to do.

(Mixed reactions)

President. — Mr Aigner, I want to point out that the vote is taken at the very next sitting, i.e. this afternoon.

I call Mr Aigner.

Mr Aigner. — *(D)* Mr President, the Rule says 'on the next sitting day' and 'if urgency is decided upon'. Are we going to take a decision on urgency now or not?

President. — The request for an early vote and the motion for a resolution were submitted yesterday. This means that today is the next sitting day and the vote should therefore be taken this afternoon.

I call Mr Deschamps.

Mr Deschamps. — *(F)* Mr President, this debate calls for careful reflection from everyone. There has been reference to a debate which was held yesterday but which many Members were unable to attend. For my part, I was at a meeting of the Bureau. Furthermore — and this is the point of order I wish to raise — I note that the report of proceedings of yesterday's sitting has not yet been distributed to us. If we are going to express an opinion on the basis of yesterday's debate, we ought at least be able to read the report ...

(Cries)

Naturally, I hope a vote is taken as soon as possible, but I should also like something to be done to ensure that the report is distributed as quickly as possible, Mr President. I fail to see why some people would rather we did not have the time to read it.

President. — I call Mr Luster.

Mr Luster. — *(D)* Mr President, allow me to point out a simple fact of logic. If Parliament has to vote on the urgency of a question and decides on urgent procedure contrary to the expectations of those who had been counting on the rejection of urgency, they can naturally table amendments on the issue only after the decision on urgency. But the time limit between 10.50 — which is the time now — and 12 o'clock is really far too short for proper and reasonable amendments to be tabled on such an important subject. Consequently, would it not be in order to agree to the suggestion and the request by Mr Bertrand and give the Christian-Democratic Group until 3 o'clock to table amendments?

President. — I call Mr Prescott.

Mr Prescott. — Mr President, I don't wish to prolong discussion of what is clearly a very sensitive matter. I want to appeal to the common sense of the precedent accepted by the Christian-Democrats this very week. The matter has been made clear by the President. On a matter of urgency, motions can be moved after the debate is closed. So the House has, therefore, to decide whether a vote should be taken on the matter at 4.30 p.m. The question whether the minutes are available and how many took part in the debate is quite irrelevant. May I point out to Mr Deschamps, that he, I believe, took part in the vote, at a similar time, yesterday on my resolution on the Hoffmann-La Roche case. A similar number of people voted, and no minutes were available for the vote yesterday. But when I appealed to this House — in exactly the same way as I am appealing for this resolution today, i.e. after debate — to vote, the Christian-Democrats voted to allow the vote to take place at 4.30 p.m. yesterday, and we had the vote.

Prescott

I therefore appeal to the Christian-Democrats, to act as they acted yesterday, to accept the procedures of which you reminded the House, and to let a vote be taken now on whether to vote on the resolution later today. That is what the Christian-Democrats accepted yesterday with regard to my question on Mr Adams and Hoffman-La Roche.

President. — I call Mr Schmidt.

Mr Schmidt. — (*D*) Mr President, according to the Rules of Procedure it is quite clear that whoever introduces a motion of this kind is entitled to get a vote on whether an early vote is to be taken or not. I appeal to the Christian-Democrats, even if they are against on this issue, not to stand in the way of an early vote. There can be no denying that this is an issue which has to be generally discussed and on which a vote has to be taken at the earliest opportunity. Personally, I should be ready to extend the deadline for amendments from the Christian-Democrats until 1 o'clock, but these amendments should then be available to everyone by the beginning of the afternoon sitting. If we agree along these lines — although let me say that it is a favour — we could extend the deadline to 1 o'clock. However, I should now like us to settle in accordance with the Rules of Procedure whether an early vote is going to take place.

President. — I call Mr Lücker.

Mr Lücker. — (*D*) Mr President, I did not have the privilege of taking part in yesterday's debate. My sole wish here is that we stick to the Rules of Procedure, and so I cannot quite agree with what Mr Schmidt has just said. The Rules of Procedure are quite explicit on this point. Sir Geoffrey de Freitas has this morning tabled a motion for a resolution with a request for an early vote.

(*Cries*)

It is quite in order for us to vote on an early vote. It is possible, and we should not get round it on some pretext or other. We are not doing the Christian-Democratic Group a favour, Mr Schmidt, if we say we should give them until 1 o'clock. The last paragraph of Rules 47(5) states quite clearly: 'Should an early vote be decided upon, the motion for a resolution shall be put to the vote at the voting time on the next sitting day'. This means tomorrow. The Rules of Procedure are quite clear on this, and my only reason for speaking here is to claim my rights, as a long-standing Member of this House, in ensuring the proper conduct of business and avoiding playing on emotions which have nothing at all to do with the Rules of Procedure. Mr Bertrand has intimated that the Christian-Democratic Group is ready to vote on this matter this afternoon.

But you are now giving the Christian-Democratic Group time to prepare for this. We could — and I

hope Mr Bertrand as spokesman for the group will agree — oblige the House by saying that we have until this afternoon to table amendments, which can then be voted on during this afternoon's sitting.

President. — I call Mr Aigner.

Mr Aigner. — (*D*) Mr President, may I simply point out to Mr Fellermaier the cause of this problem? The fact is that we have two different versions of the Rules of Procedure. The German text says 'on the next sitting day', while the French version has 'at the next sitting'. This is where the discrepancy lies. It is a mistake in translation. While we are on this point, I should like the German version, since we are the ones concerned, to be given the same authority as the French, and I therefore request that the matter be put to the vote tomorrow.

(*Laughter*)

President. — Let us not get involved in philological problems.

I call Mr Masullo.

Mr Masullo. — (*I*) Mr President, after all the lively debate we have had, I merely want to say that we seem to have started a kind of discussion on the application of the Rules of Procedure, which in my view you have interpreted correctly right from the start. We have got in to discussing whether or not to apply the Rules, when in fact the Rules state that there is an immediate decision on the request for a vote and that the vote then takes place.

In my opinion, you cannot say: we agree to vote, provided there is a guarantee that certain amendments can be submitted within a given time. There is no proviso of this kind in the Rules of Procedure concerning a request for an early vote.

Consequently, Mr President, I ask you to put an end to this discussion. It is clear that once we have decided to vote on the motion, we shall decide on a deadline for amendments and whether to accept them. But quite apart from any arrangements we may make, the first thing to do is to apply the Rules of Procedure.

(*Applause from the left*)

President. — May I point out to Mr Masullo that apart from the right of the movers there is also a duty, on our part, to vote on the request? Mr Bertrand has told the House, for obvious political reasons, that his group would vote in favour of an early vote — which would mean that the request was not rejected — provided that amendments to the motion for a resolution could be tabled.

In view of the fact that any amendments have to be tabled within a certain time limit, I should like to ask Mr Bertrand, as spokesman for the Christian-

President

Democratic Group and chairman of the Political Affairs Committee, if he thinks the amendments could be submitted by 2 o'clock, so that they can be printed and distributed before we start again this afternoon.

I call Mr Aigner.

Mr Aigner. — (D) According to the Rules of Procedure, the decision is yours, Mr President.

President. — If we are going to organize our business better, I have to set a deadline for the tabling of amendments so that they can be printed and distributed in time.

I call Mr Bertrand.

Mr Bertrand. — (NL) The Christian-Democratic Group will vote in favour of urgent procedure, Mr President, on condition that we have until 2 o'clock to submit amendments and that the vote takes place tomorrow morning.

President. — Mr Bertrand, I feel that every group should do its best not to force the President to be as strict as he can in performing his role. Until now the 'next sitting' has always meant the sitting which followed the tabling of a motion for a resolution. This is the interpretation and I am not going to change it.

(Applause from the left)

I call Mr Aigner.

Mr Aigner. — (D) Mr President, I cannot understand why the House is so excited. I merely wanted to say...

(Cries from Mr Fellermaier)

... Mr Fellermaier, a little more decorum would not go amiss.

As I was saying, Mr President, it is quite right that the official languages should have the same authority. I have noticed that in the English as well as the German version of the Rules of Procedure it states 'on the next sitting day'. If the Rules were not being used by a certain faction as a device to thwart my group's political request, Mr President, I should not be taking such a firm stand on the Rules of Procedure. But when I realize that we are not even being given the opportunity to discuss this matter at a group meeting, I really must stick to the Rules as they have been formulated. And so should you, Mr President.

(Mixed reactions)

President. — Mr Aigner, I should not like any statement of mine to be interpreted as seeking to prevent your group from expressing its opinion. Nothing could be farther from my intentions.

May I point out that yesterday morning, in an identical situation, we proceeded in the same way. We decided in favour of an early vote, and the motion for a resolution was then put to the vote in the afternoon.

(Applause from the left)

I call Mr Bertrand.

Mr Bertrand. — (NL) I should like to be as accommodating as possible, Mr President, because I have tremendous appreciation and consideration for your objectivity. We really want to cooperate, because a majority among the Members of the Christian-Democratic Group is in favour of this motion.

Consequently, there is one request I should like to make and then, perhaps, we can reach some agreement. Our group has to discuss the contents of the motion, and we wish to table amendments to it. For heaven's sake give us enough time to do so. If we can vote at 5 o'clock this afternoon, with an opportunity to table amendments before then, we shall vote for urgent procedure. But please give us until 5 o'clock. That is the least we ask to Parliament.

President. — Mr Bertrand, voting time has been scheduled for 3.45 this afternoon. I therefore propose that any amendments to the motion for a resolution should be tabled, at the latest, by 2.30.

Since there are no objections, that is agreed.

I put to the vote the request for an early vote.

The request is adopted.

The motion for a resolution will be put to the vote at voting time this afternoon.

4. Twelfth General Report (1978) and programme of the Commission for 1979

(continued)

President. — The next item is the continuation of the debate on the Twelfth General Report (1978) and the programme of the Commission for 1979.

I call Mr Porcu.

Mr Porcu. — (F) Mr President, I deplore the fact that I was prevented last Tuesday, by a very rigid interpretation of the Rules of Procedure, from making the declaration which I am now about to make on behalf of the Communist Group concerning Mr Jenkins' statement.

The French fabulist Jean de la Fontaine said that there is one law for the rich, and another for the poor. It is clear to me that in this House there is one law for the Christian-Democrats and one for the Communists: the Rules of Procedure are applied very liberally for the former and very stringently for the latter, and I deplore this.

Having said that, I shall now turn to the statement itself.

The speech presenting the 1978 General Report and the Community programme for 1979 has prompted certain ideas and comments on the part of the French

Porcu

Communist members, and I should like to present these on behalf of my friends Gustave Ansart, Gérard Bordu, Jacques Eberhard and André Soury. We feel, Mr President, that your statement is a clear infringement of national sovereignty, an act of faith in supranational integration and an appeal to speed up this process. You have turned a blind eye to the root causes of the grave crisis which is afflicting all the Community countries in every sphere. You have largely ignored the promises made to the people and the harsh reality now confronting them. Admittedly, the Community has not been inactive and has settled a number of conflicts, but who has benefited? Big business — and no one else.

On the other hand, the Community has not provided any serious response to the appalling problem of unemployment, which has hung like a shadow over your European policy-making. Every move the Community makes, every decision it reaches, now results in massive destruction of the machinery of production and soaring unemployment. The latest decisions on the iron and steel industry, textiles and shipbuilding are a dramatic illustration of this. Worse still, you do not hesitate to announce that the Community is only just beginning to implement a Malthusian policy leading to the destruction of industrial enterprises. You spoke of the need to take account of human beings, but you did not even mention the claims of the millions of workers, who, by their efforts, create the Community's wealth. Their claims have been clearly expressed by the major union groups and include greater purchasing power, to put an end to the intolerable policy of austerity, reduced working hours, longer holidays and earlier retirement.

We French Communists support all Community workers in their struggles, without which they would be incapable of ensuring respect for their dignity and would come a very poor second to the callous concern for profits and profitability. Your programme also provides for the annihilation of hundreds of thousands of family holdings in agriculture. Farm incomes will continue to be eroded, and your proposals will make 1979 the sixth consecutive year of this policy. The common agricultural policy, which was presented as a blessing to French agriculture, is now becoming increasingly hostile to it. Its organized decline, bought about by the Mansholt plan, must be halted; the destruction of family holdings must cease; agricultural regulations which are contrary to the interests of our farmers must be renegotiated, and monetary compensatory amounts, which are an abusive levy on the wealth produced by French farmers, must be abolished forthwith. You see progress in the building of Europe in terms of further supranational integration, but progress cannot be achieved by transferring power from the national parliaments to supranational institutions. In our view — and we state this categorically — decisions affecting our country and its inhabitants should be taken in Paris, and nowhere else.

For this reason we do not accept your references to enlargement as if it were an established fact, because the proposed enlargement, which more and more French people are objecting to, is the key factor in the process of European and Atlantic integration. Enlargement would be a serious blow to living standards, the future of our economies, independence and national sovereignty. The Commission has produced damning evidence on the effects which this proposal would have on increased unemployment, rural depopulation, regional and social imbalance and the further running down of industrial enterprises. The Community of Nine has six million unemployed: with twelve members, this figure would be nine million. Enlargement would also have serious political consequences. National sovereignty would be no more than an empty shell. Now that the Council of the Nine has abolished the right of veto, enlargement and integration into a supranational power bloc would mean that most Community countries, including France, would decline and lose their independence, becoming mere minor provinces of an empire subject to the United States and West Germany. You made some proposals concerning energy and the environment policy. Increased cooperation between our countries is useful and necessary but this by no means implies that nations should abandon their rights, their independence and their imprescriptible right to take decisions without outside interference. Cooperation and coordination should be left to the assemblies and decision-making of sovereign nations. This is an essential prerequisite for real progress in building a democratic, progressive and peaceful Europe, which we Communists are struggling to achieve.

President. — I call Mrs Ewing.

Mrs Ewing. — Mr President, there are many people in the Community who believe that the set of institutions here are in danger of crumbling away. I do not mean tomorrow, or even next year, but perhaps in the next span of 20 years, and I would like to try and examine today some of what I regard as the fundamental reactions of people who are not able to come and watch the institutions closely, but who are relying on what they read in the media.

The first thing I would like to say is that I believe there is a kind of gut reaction in favour of some set of institutions such as this from the man in the street, and that is something on which, if the Community is not to crumble away, there must be maximum capitalization. I give an example from Scotland. It does not seem to me that on the material front this Community has anything to offer Scotland, which is a rich land for 5 million people — in the material sense, that is. There was anger, and there is anger, about fish, about oil, about the treatment of hill-farmers, about

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the failure to understand the problems of our distance, such as the lunatic rules we are faced with for drivers' hours. Yet despite all these burning issues, which are still burning issues, by a narrow majority the people of Scotland voted to stay in the Community. That is what I mean by saying that there is a gut reaction which is different and apart from material considerations.

The second 'plus' I would like to mention, is that there is a feeling, I am certain — I have had it myself — that in a war-torn continent anything that will reduce the irritants — and some of them perhaps we have seen in evidence today, in a not too impressive session of this Parliament — that doubtless exist must be worth even a highly expensive and bureaucratic structure.

The third 'plus' I would like to mention, following on my last point, is that I believe perhaps the existence of the set of institutions here was a factor in the choices taken by Spain and Portugal to go on a democratic road, instead of remaining on an undemocratic road.

Now these are what I would call, very simply put, the 'pluses' which should make us look at the desirability of letting this gut feeling and these very important and lofty principles have a set of institutions to close themselves in. But now I come to some of the practical difficulties which I think are operating against the gut feeling of support from the man in the street, which you will see if you come to Great Britain, which I believe you will see if you go to Denmark — to mention two countries only.

The first thing, and I put this to Commissioner Jenkins, is that perhaps he might agree there is too much emphasis in all speeches that are made on the market. The word 'market-place' in English has a materialistic and rather unpleasant connotation. It is not a place where intellects are stimulated; where aspirations, national or otherwise, are cultivated. It has, as I say, an unattractive ring, and if the Community is concentrating on being a market it will assuredly, in my opinion, crumble away.

The second practical criticism I put also to Commissioner Jenkins and his Commission, and in view of the kind of speeches that are made in this House by parliamentarians, is that there is nothing attractive to the citizen of Europe in the idea that the justification for all these institutions and all their cost is to create a power bloc in a military sense — some kind of super-State, on the grounds that America is large and Russia is large, and we had better be large too — that there is something inherently worthwhile in setting up some kind of military structure of comparable size to the other great ones. If that is really the motivation, and

that motivation was expressed when we entered Europe in the House of Common by leaders of both sides — and I am sure Commissioner Jenkins will remember phrases such as 'Britain must be great again' — that kind of motivation will not ensure the survival of this set of institutions.

Then again, take some of the practical absurdities: if these absurdities are not tackled, I believe the gut reaction will change away from support. The absurdity of the common agricultural policy eating up the budget while the Social and Regional Funds are starved, must be tackled. It is questionable whether the CAP needs to go on working. I know it is the pride and joy of certain areas. It does not seem to work and there is certainly a gut criticism of mountains of food in a world in which a third of the people are starving. Imagine if instead all this money was spent in creating job opportunities particularly for young people. Imagine if instead it was spent on a project whereby every young person in the Community was given the right to attend school, or receive part of his university education or industrial training apprenticeship, in another country. These barriers and harmonizations would indeed be worthwhile and that kind of money would further the favourable gut reaction that I have tried to express. There is the situation where we have spent a ridiculous amount of time on harmonizing things that do not matter. I was glad to hear Commissioner Jenkins refer to this in his speech. We hear too many platitudes about the good ones and the bad ones here, Britain being the bad one in many respects. Yet our bill is on the point of doubling and making us one of the largest net contributors.

Lastly — because I see, Mr President, you have your gavel up — if we fail to become a caring Community, if we are not going to recognize when one kind of issue, such as fishing, is absolutely non-negotiable in terms of human suffering, then you will not be able to convince the man in the street, even if he does not depend on the fishing industry for his livelihood, that this is a caring Community. I think that this is the basic thing we must do, otherwise the gut reaction, certainly in Great Britain, will change and this Community may be in danger of fading away.

And when direct elections come — and I speak as a candidate — I hope that this Parliament will become more powerful and more able to show that it can take control of its own authority, that it can assure the people in the street that all aspects of the Community spending are accountable, for example through public hearings in committees.

I think these are the important points, and I would ask that they be taken very seriously, because I have tried to speak seriously to Parliament today.

IN THE CHAIR : SIR GEOFFREY DE FREITAS

Vice-President

President. — I call Mr Albers.

Mr Albers. — (NL) Mr President, the Socialist Group has divided up the remaining time as follows : I have been asked to comment on the social and economic aspects of the speech by the President of the Commission, and my colleagues Mr Brown and Mr Patijn will be discussing, respectively, the energy policy and development cooperation in the world.

Our group looked forward to hearing Mr Jenkins' comments with great interest, in particular his comments on social policy. This will not surprise anyone because as far back as 1973 the Federation of Socialist Parties stated at a congress in Bonn that improved living and working conditions for the people of Europe must be the overriding criterion governing all political action. This declaration was made at the end of a period of steady economic growth. It was then emphasized that the Community should no longer develop along capitalist lines, because the discrepancy between private production and public and social requirements was becoming increasingly marked.

The social imbalance has been growing in the years since the Community's inception. In the large cities there has been severe overcrowding and decay, there has been an unbridled growth of industrial centres, and the countryside has been impoverished. Serious environmental problems have arisen, and our entire community life has been jeopardized. Since 1973 there have been some changes, and the Community adopted a social action programme in 1974. Unfortunately, the changes in question were not those advocated at the Socialists' congress, but changes in economic development. This has seriously declined, and there is a danger that the weaker members of society may be made to bear the brunt of this decline. There have been mass dismissals, and now there are 6 million unemployed, many of whom are desperate to get back to work. Whole sectors of industry have been affected, and workers are deprived of their incomes. It is again becoming clear that the right to work which is virtually universally accepted, is often illusory. Those who have only their work to offer are helpless and are dependent on others. The public services are not up to standard ; improvements are necessary in education, public transport, health care, home construction and industrial relations. Many people stay away from work because of the tension resulting from the work situation, its pressures, and the threat of unemployment.

We noted that Mr Jenkins' speech was not very clear about the likelihood of social change. However, on examining the supplementary memorandum, which was annexed to the programme, we find a large

number of proposals to which we can agree and which clearly indicate that the Commission is determined to implement changes. The President of the Commission appeared hesitant, possibly because he is disappointed at the failure to make progress towards monetary stability. While the conflict between the Council and Parliament concerning the budget has also placed the Commission in a difficult position. We fully agree with the memorandum that it is necessary to restore economic growth. However, we insist that unbridled growth should be avoided, as we are in favour of selective economic growth. We also wholeheartedly support the Commission in its endeavours to strengthen monetary stability in the Community. We share the President's view that the economic systems have not converged sufficiently and urge that the tax and social security systems should also be brought into line.

We are pleased that the Commission is preparing a proposal to eliminate the difficulties encountered by frontier workers. This could also be an important factor in improving workers' mobility.

We believe that purchasing power should be maintained and strengthened. We agree with the Commission's sectoral policy on structures and with the plan to aid undertakings in difficulty, but we do not believe that permanent government aid should be given to inefficient undertakings. This will not help us to achieve economic progress. We call for clear-cut plans on employment, and an analysis of their effects on job opportunities. People should not be turned out onto the street : they should be given new opportunities, and priority should be given to retraining programmes. We approve of many aspects of the proposed employment policy, which was referred to as a strategy in the statement to the Tripartite Conference. We also wholeheartedly endorse the Commission's plans to redistribute work by encouraging part-time work — but with equal rights — by improving the labour market policy and by combating illegal labour contracting. And of course, we are also in favour of the measures to improve working conditions. We also believe that economic democracy that is, members' participation, should be treated as a matter of great priority. Workers should not merely be concerned with their own work : they must have a full say in the running of their company's affairs.

Obviously we support the programme for young people, because young people make up a large proportion of the unemployed, and we would like to see the youth forum being given an opportunity to make its views known on these measures. Furthermore, we feel that women's organizations should be consulted on measures concerning women and the improvement of their position in the labour market. Migrant workers' organizations should also be consulted with regard to improving the living and working conditions of migrant workers. We regret the fact that the way in

Albers

which the budget has been handled and the massive increase in resources for the Regional Fund have prevented our amendments concerning the Social Fund from being adopted. We trust that in the coming years every effort will be made to strengthen the Social Fund as much as possible.

In our dealings with pressure groups — and I do not exclude the consumer organizations — we should not omit to point out that we feel that in view of present trends it is very important to consult the European trade union movement. I am alluding to the part which the trade union movement can play — and which must be made more effective — in the Economic and Social Committee, the Standing Committee on Employment and in future joint committees in sectors in which there are severe difficulties.

We feel that the Commission's statement and the supplementary memorandum do not deal with the public sector in sufficient depth. We believe that the Commission should devote more attention to the public sector in the work of renovating our cities, improving living and working conditions in rural areas, improving public transport, to which reference is made in the memorandum — great importance should be attached to improving infrastructures — and in the work of promoting environmentally acceptable transport, improving education and public health, as well as in our efforts to ensure that girls get equal opportunities in education. We are wholeheartedly in favour of all these proposals, which could be very useful from the point of view of employment.

We are also firmly in favour of the Commission proposal, which we are currently studying, on the improvement of the international division of labour by means of compliance with certain international standards drawn up by the International Labour Organization for working conditions.

In conclusion I would point out that my group believe that the Commission cannot leave it merely at his programme statement. When the new Parliament meets in September, it is sure to want an interim report on the results of this programme, so that it can assess what has been achieved, what changes need to be made in the coming year, and how Parliament can exert its own influence on the programme.

We must learn from past mistakes and be determined to develop the Community in such a way that its policies are drawn up on the basis of justice, fairness and equality of opportunity.

President. — I call Mrs Walz.

Mrs Walz. — *(D)* Mr President, the situation in Iran in recent months has led to developments in the energy sector which the Commission has not yet been able to consider but which have been referred to by Mr Jenkins. The oil surplus, which gave many people the impression that the Community had no serious problems in the energy sector, has now suddenly

ceased to exist. The shortfall in supplies from Iran, which will last for some time, can in the short term only be offset by increased production by other suppliers. Saudi Arabia, our major supplier has cut back its own production to just a little above its normal level, and replacement supplies cannot be counted on completely. This cutback could just be a means of forcing up the price of additional supplies, and there are indications that this is so; but that does not alter the situation. We should certainly not overdramatize our present difficulties and the rapid price increases, for instance on the Rotterdam market, are furthermore seasonal — but we would be living in a fool's paradise if we underestimated the dangers facing us.

Let there be no doubt, the present energy situation is very similar to the 1973 crisis, which helped to trigger off the recession. We are now once again open to political blackmail, and indications of this have already occurred, for example between Libya and the US. We shall therefore have to put to the test the lessons we learnt in 1973, and there are several areas in which we are vulnerable. The Commission informs us that the possibility of making economic growth less dependent on energy requirements is being examined, and this is obviously very important. At the European Council meeting in Bremen and at the Bonn summit it was decided to set for the relationship between the growth rate of energy consumption and that of the gross domestic product a target of 0.8 %. Since then we have found that in the past year the economic growth of Germany — I am not yet sure about the other countries — has ceased to be tied to energy requirements, but unfortunately the trend has developed in the wrong direction: crude energy consumption rose more quickly — by 3.9 % — than the real gross national product, which rose by 3.4 %, and even exceeded the 1973 maximum.

These figures are all the more alarming when we consider that the proportion of crude oil to overall primary energy consumption has risen, while of coal percentage has declined. As coal is the most abundant source of energy in the long term, it ought to make a major contribution towards achieving the Community's aims for 1985. Contrary to the statement made in the General Report, pithead stocks have dwindled rather than grown; however, coal production, and worse still coal extraction capacity, have also fallen off, with the result that it is already clear that it will be impossible to achieve the Commission's targets for 1985.

How has the Community reacted to this challenge? The programmes proposed by the Commission concerning energy conservation, the more rational use of energy and the tapping of new alternative energy sources have been launched and show promise. Like the Commission, we hope that the reservations expressed by the Council will be cleared up as soon as possible. On 22 December last the Council held a

Walz

detailed discussion on coal which culminated in an affirmation of the importance of coal in the Community's energy policy, but the proposals on aid for the financing of pithead stocks the promotion of coal-fired electric power generation, intra-Community trade in coal, and the proposals on coking coal were once again left in abeyance.

These examples — and the list could easily be lengthened — should prompt the Council to ask itself two questions: firstly, is it fully aware of the seriousness of the Community's energy policy situation and all its implications, and secondly, what has been the result of the eloquent promises made six months ago by the heads of state and government at the European summit in Bremen? This latter question also concerns the power of the heads of state and government to give directions to their own governments and and see that they are carried out — and here I need only point to the agricultural market.

The heads of government referred to global energy policy, while President Jenkins mentioned only the coordination of national policies. He has therefore fallen considerably short of the demands ostensibly made by the heads of government. Perhaps the latter were only bluffing, but they should at any rate be taken at their word. In view of the danger which threatens us all, a common energy policy, and not merely, Mr Jenkins, a coordinated policy, is one of the Community's most urgent requirements in the field of energy.

President. — I call Mr Fletcher-Cooke.

Mr Fletcher-Cooke. — Mr President, the part of the statement by the President of the Commission that gave me the most joy was that relating to the internal market, which he rightly described as the starting point and the centre-piece of European integration. He was quite to emphasize the hindrance to small businessmen, upon whom our continent has to rely more and more to mop up the terrible figure of six million unemployed, in the paperwork, apart from anything else, that so many national governments require. It is not only of course paperwork. We are told — I don't know whether this is true — that there are more customs officials manning the internal frontiers of Europe now than there were ten years ago. Whether this is for reasons of hygiene or whatever. I don't know. It looks like a very serious restrictive practice in itself.

Hitherto, the Commission has, I fear, adopted a policy, when it comes up against the problem and finds there is little it can do, of taking its great energies and skills on to other problems, where it finds that there is something it can do — things that it is not so necessary to do. For example, I see on the agenda today that there is a suggestion that there should be harmonization of the law relating to the sterilization of surgical instruments — something of

that sort. No doubt it is an easier task to perform the harmonization of such law than to achieve a starting point and centre-piece of European integration with the destruction of internal barriers.

It is therefore with great joy that I learn the Commission is to bring forward a new five-year programme for the purpose of dismantling these barriers through the progressive introduction of Community customs legislation administered on behalf of the Community. I would ask the President of the Commission, if he is replying, if he could give us some glimpse of what these measures are. I hope it doesn't mean that there will be another regiment of Community *douaniers*, breathing down the necks of the national *douaniers*, because that would be Satan casting out sin. Does it mean and I hope it does — that the Community is actually going to operate some of these customs barriers? Does it mean they will replace with their own men — I hope so, but I fear not — some of the national customs officers, or is it merely that there are going to be some more suggestions about how the paperwork can be simplified?

I am allowed six minutes and it is necessary, therefore, to concentrate on one, and only one, topic in this excellent speech by the President of the Commission. I regard that topic as crucial. I hope the five-year programme will shame the ministers and the nations into performing their duty, and I hope the Commission will put some teeth and sanctions into their programme. If they do not, the chief purpose of being here will disappear.

President. — I call Mr Brugha.

Mr Brugha. — Mr President, if I speak somewhat critically in this debate it is because I am concerned about a loss of momentum in the Community. Although Mr Jenkins can be complimented on producing a broad paper on Community action and we can accept the good faith of the President and Commission, it is not possible to gloss over the slowdown so evident in the continued delay of EMS and a more positive regional policy. Slowly it seems to me our Community is beginning to lose momentum and there is a danger that it will lose confidence. Why? Because the Council of Ministers is ineffective; it procrastinates, it is indecisive and the Big Four, or even the Big Two, are beginning to undermine the basic idealism on which our Community is founded. Fortunately, Mr President, for economic reasons the Community continues to function. Indeed, its very existence and continuity are something to thank for because of the stability it provides for Europe. We need monetary stability and the discipline that should accompany it. On EMS I note that the President hopes for early political agreement between France and Germany. I hope his hope is not wishful thinking, Mr President, we are facing difficult times. The energy situation is heating up again because on

Brugha

the situation in Iran. Here the Commission must get into a higher and faster gear, cut down on waste now, get rapid research going now. Time is not standing still, Mr President, waiting for a Europe that is still almost 60 % dependent on outside oil and energy sources. Many millions more may have to join the unemployment queues. On the agricultural side, find a better solution than selling-off cut-price butter to Russia. On industry, get tough on non-tariff barriers and do not be too highly principled about protecting Community jobs against low wage imports. Again there is still too much paper clogging up enterprise and making life impossible for small and medium-sized undertakings. We still have major unemployment, increasing now with recent steel layoffs.

What exceptional proposals, Mr President, has the Commission to relieve that serious situation? Indeed, the social dangers that are developing make the creation of employment for young people imperative. What is the Commission doing about the misuse of the Regional Fund by the Member States where Fund aid has been used to replace national aid, not to supplement it? Is it not time for the Commission to put an end to this improper use of the Community Regional Fund which ignores the fundamental aims of regional policy? What has happened to the European Foundation? Has it been pigeon-holed, Mr President? Direct elections may help to restore the momentum in Community affairs. But there is obvious need for a dialogue between the Parliament and the Council of Ministers. What proposals are there to get useful and constructive discussions going? After all, there must be a reasonable balance between the Institutions.

We all welcome new members to the Community, but some of us are concerned about the cost — not the cost for its own sake, but the lack of any clear indication of where the additional funds necessary to sustain, for example, Greek membership will come from. This lack of information and commitment is too much like the earlier Council decisions on regional funds: it is a great idea and we are all for it, but we will not put up the money necessary for its implementation. The people of the Community should be told how the cost of new membership will be borne, and they should know that before the money is spent.

Finally lest I be thought to be only critical, I heartily welcome the three priorities put forward by Mr Jenkins organization and cohesion of the Community to include those European democracies able and qualified to join: to ensure that the Community as such makes its contribution to the management of the world economy.

President. — I call Mr Brown.

Mr Brown. — The President, was I think, quite right to point out the continuing dangers facing and, if I may say so, there is no shortage of crisis creators there

at the moment. One of the basic problems is that amongst those responsible for energy matters, no one appears to be sure what the hell he is doing, either here in Europe or in the United States.

Following the crisis of 1973, the Commission has worked hard, I believe, in preparing proposals to help the Community develop an effective energy policy based upon the need to cut back our dependence on imported oil and develop other fuels. What has actually happened is that we have cut back on the development of other fuels and the world today is, if anything, more dependent on oil than ever.

Over the past years, Parliament has been critical of various proposals put forward by the Commission. In the main, we have supported the general thrust of its work, and we again support the outline proposals which the Commission hopes to put forward for 1979. But the difficulty arises because the nature of the problem is continually changing, and although the President dismisses Iran in three words in his report, there can be little doubt that we shall feel the full effect of that crisis in 1980. The President might have spelt out how the Commission were adjusting their plans to take account of the new situation. Whatever the future holds for Iran, it cannot be denied that we are already facing serious after-effects from the crisis so far. Thus the Community response is of fundamental importance. This fact is underlined when one considers that Europe obtains about 19 % and the United States obtains some 10 % of its total oil imports from Iran.

I know that fault does not entirely lie with the Commission: the performance of the Council of Ministers since 1973 can only be described as appalling, and I have said this on other occasions. There has been no shortage of platitudes and certainly no shortage of pious hopes from them. But the truth about their activities is held in the fact that (1) they have failed to agree on support for common projects for hydro-carbon exploration, and that has been outstanding since 1974; (2) they have not yet passed financial measures to promote the use of coal for electricity generation, and that has been outstanding since 1976; (3) They have not yet passed financial aid for cyclical stocks of coal and coke, and that has been outstanding since 1977; (4) They have failed to support proposals for the special modernization of buildings in order to save energy, and that has been outstanding since 1977; (5) they have failed completely to approve the proposal for Community research into the reprocessing and disposal of radioactive waste. And that has been outstanding since 1977; And lastly, (6) we have the decommissioning of power stations, where the proposals there from the Commission have been outstanding since 1978 and again the Council have failed to take any action. So the House can see that whatever else can be said of the Council it can hardly be described as dynamic.

Brown

I can understand the frustration of the Commission over what I regard as the wilful refusal of Council to address itself to these important issues. But that does not absolve the Commission from grasping the nettle and arguing its case here in Parliament. It seems to me that the President's report could have been a vehicle for that purpose, and I somewhat regret that the President did not take this opportunity.

I have re-read his speech this morning. He posed four questions. I rather thought that I was asking him the questions, but since he raises them perhaps we ought to address these four questions to the Council once again to see if, at last, they might understand what he and I are saying to them.

What is needed now is, in my view, a firm and positive declaration from the energy ministers that we in Europe intend to control the use of energy in Europe and thereby control our own destiny. If we fail to comprehend the need for such a declaration and such action, then, in my view, the future for Europe and its peoples can be written off as just a bad debt.

President. — I call Mr Noè.

Mr Noè. — (*I*) Mr President, Mr Jenkins, ladies and gentlemen, it is with some regret that I have to express my lack of enthusiasm for the part of Mr Jenkins' speech dealing with energy problems. I shall try to explain why in the space of a few minutes. First and foremost, I am not satisfied with his approach to the problem. He stated that the winter has been very severe, and that whole areas are suffering because of the lack of energy supplies. This is true, but things of this kind have unfortunately occurred in the past and will certainly occur again without man being able to do anything about it. In 1963 for example, we had three extremely cold months, January, February and March. Lake Zürich was completely frozen over and could be crossed by car; indeed, photographs were on sale showing cars on the lake. Thus, in this respect, we are witnessing nothing new. Every decade, or every two or three decades, we shall unfortunately be subjected to these climatic vagaries, for which technology should of course try to find what remedies it can. But this is not the basic problem, and that is why I said that I would have preferred the question to be approached in a different way. The crucial point is something else — that since the Yom Kippur war we have not done enough to ensure a less turbulent future. This is the point that needs to be stressed.

Let us look at the figures. In the second part of his speech, Mr Jenkins quoted two figures, which are in fact perfectly correct. He said that we depend on imports for 56 % of our requirements and that by 1985 this dependence will be reduced to 50 %. This

forecast tallies perfectly with the well-known document on Community energy requirements for 1985, which has already been discussed by Parliament. May I make two remarks at this stage, to point out some other data in keeping with this reduction. In 1977 the total energy consumption of the Community was 954 million tonnes oil equivalent. Of these, 27 million were provided by nuclear energy. The Commission envisages that by 1985 we shall reach a total consumption of 1 237 million with a nuclear contribution of 113 million tonnes oil equivalent. From 27 million, then, to 113 million. All this tallies, as I said just now with the reduction of dependence on imports from 56 % to 50 %. Thanks to the power stations already in operation and those on which construction work has already started, it can reasonably be assumed that this objective will be achieved, at least to the extent of 90 %. With the contribution of North Sea oil, plus the increased contribution of nuclear energy, we could reach a point close to the Commission forecasts by 1985, provided that we work really fast in the coming years to complete the power stations on which work has only begun. However, the prospect becomes less encouraging when we look beyond these figures. The Commission has also made forecasts for 1990, albeit less precise ones as might be expected. But at this point we see that with an increase, on which we can agree, of 3.3 % per year we would reach a total consumption of 1 404 million tonnes oil equivalent. For the sake of clarity I repeat the three figures: 954 in 1977, 1 237 in 1985 and 1 404 in 1990. For this last figure a larger nuclear contribution is envisaged — 208 million tonnes oil equivalent per year. But it is clear that if the installation of new power stations which by 1990 will have to be producing this nuclear energy goes on amid the difficulties which the Community currently faces, this objective will not be reached. Apart from this consideration, there is another: whereas it might be possible between 1977 and 1985 to maintain all imports more or less at the same levels — i.e. a percentage reduction would mean that the total quantities would remain unchanged in spite of the forecast increase in nuclear energy, which is very doubtful — it is obvious that oil imports will have to increase by 1990 if we wish to satisfy the total requirement. We must therefore think about these two aspects — the difficulty of installing new nuclear power stations and the fact, even if this ambitious programme can be implemented, we shall have to increase oil imports between 1985 and 1990 with all the difficulties which that will involve.

I conclude with a remark on the final part of Mr Jenkins' speech, in which he stated that we must prepare ourselves for the post-oil era. I would say that it is precisely the transition from the present era to the post-oil era — which may come around the year 2020 — which is particularly problematical. I should have liked Mr Jenkins to be more specific, given that of the three weapons which will be available in the

Noè

distant future — fast breeder reactors, solar energy, for what it is worth, and nuclear fusion — only the first is almost ready. I should have preferred the Commission to indicate that we must concentrate on making the fast breeders available as soon as possible, so that we can make this transition with the minimum of disruption, and thereby reduce the tensions which will be created by the cutback in energy supplies.

So, even if this does not meet with popular approval, I think the Commission must demonstrate clearly the need to install nuclear power stations and to have adequate reprocessing plants available, since the press and public opinion misguidedly focus on the location of nuclear power stations and put too little stress on the reprocessing plants, with regard to which Community action has in fact been taken. It must be admitted that the Commission has very laudably presented proposals, which the Council has however, not dealt with quickly enough. Therefore — I repeat — even if it is an unpopular thing to say, that I hope that the Commission will provide some clearer information on this subject, so that public opinion may be based on the proper facts and not as it sometimes is, on a travesty of them.

IN THE CHAIR : MR BORDU

Vice-President

President. — I call Mr Patijn.

Mr. Patijn. — (NL) Mr President, the difficulty with a speech such as Mr Jenkins has delivered — and this is the third one I have heard — is that it comes halfway through the four-year period of his mandate. It is not immediately clear whether the aim is to describe the situation as it is, a sort of photographic image, as it were, and to inform us of the future course of events or whether it is to present a programme on which the Commission has been working intensively in recent months.

For the time being, I shall assume that the first conclusion is correct, namely that it is a sketch of all the things the busy Commission is doing right now. In February the Commission has to submit its annual report to Parliament, and a speech will have to be made on that occasion. This is no criticism of Mr Jenkins. If you have to submit a report and make a speech every year, you cannot produce a new programme each time, but it may be worthwhile to consider whether there is any point in holding a major debate every time and expecting completely new topics to come up for discussion. A study of the speech and of its references to the internal market and external relations, shows clearly that although external relations are considered important, the major part is devoted to the internal market. This is quite

understandable: agriculture, the environment and consumer policy, the economic summit and the monetary system all occupy an important place in the report, and rightly so. As Socialists we can only agree that as long as there are six million unemployed, emphasis must be placed on internal affairs. My friend Mr Albers has already discussed this matter. But his internal policy affects third countries, especially the developing countries, and that is what I want to discuss.

It is much more interesting, however, to read what the Commission's memorandum has to say about these issues, concerning which I should like to raise a question. To quote paragraph 92:

'The Commission will make every effort to achieve greater coherence between the Community's and the Member States' internal and external policies.'

The Commission now intends to make a further announcement on this, as it recently did in connection with the sugar sector. I find this information interesting, but what is its central message? Our intervention on the internal market during this period of crisis is bound to have certain consequences.

I should like to ask Mr Jenkins whether he intends to present a general survey or whether he plans a product-by-product approach, as in the case of sugar. I hope that a general outline will be given in which the Commission makes its views known on what is grandly termed the 'North-South Dialogue.' I feel this is very necessary. I agree, of course, that the central issue is the internal policy. But I think it is conceivable that many of the solutions to problems connected with the internal policy can only be achieved in conjunction with the policy on third countries. For example, in trying to solve the problems affecting, say, shipbuilding or textiles, we are dealing with an essential element in overall Community policy *vis-à-vis* third countries. Frequent references have been made to enlargement, China, etc. I should like to talk about the developing countries, for we in Western Europe know that the growth of our economies is limited and that the growth figures of the 1960s are a thing of the past. We shall therefore have to find new markets, if we wish to maintain employment. And here I am not looking at the development policy as an expression of the Community's solidarity and sense of responsibility, but as a policy in the Community interest, whereby it can increase purchasing power in the Third World and thereby assist Community industries which can no longer find markets for their goods within the Community. It is not neo-imperialism to try to create new markets for our surplus production, indeed, this is in the interests both of the developing countries and ourselves. I earnestly hope that this relationship will be given expression in the memorandum on the relation between the internal and external policies.

Patijn

Mr President, we are faced with a number of very concrete issues. I am referring to the Lomé Convention, the completion of the Tokyo Round, the UNCTAD Conference in Manila, and the North-South activities of Willy Brandt and his commission. We shall soon have to deal with the results of all these and I should like to raise a question in this connection, though I am rather apprehensive about the reply: is the Community ready to accept the consequences of these negotiations and discussions are over, are we prepared to offer anything at the UNCTAD Conference to make the Community's presence felt among the developing countries, or will we go there empty-handed? When the results of the Lomé and Tokyo talks are known, will we have to tell them in Manila that that's it, we can't do any more? The Commission will be questioned on this point in the North-South Dialogue.

I agree with the passage in Mr Jenkin's speech in which he says that one of the most important issues is the completion of the talks on the Lomé Convention. However, certain wishes have been expressed by Parliament and by my group, and I should like some information on the following points: what is the situation with regard to the article on human rights, what progress has been achieved on the protection of workers in the developing countries, and are we doing anything to fulfil our obligations towards these workers and their trade unions? Will the Convention contain articles dealing with topics other than trade, money and STABEX? There is no reason why the Community, after 15 to 20 years of cooperation with these countries, should not discuss these matters with them. We discuss them among ourselves, and we should discuss these problems with the other developing countries. However, we are faced with a serious danger. Whether we like it or not, the Lomé Convention will determine our policy over the next few years, because very large-scale talks are now in progress, but we tend to forget the other developing countries.

This is not the first time that Parliament has spoken out in favour of third countries, and I fully appreciate why a large section of Mr Jenkins's statement was concerned with China. But the total population of Asia, India, Pakistan and Bangladesh is just as great as that of China, and very little was said about these countries, except that we shall be opening negotiations with them. Nevertheless, I hope that a wide mandate will be given, because we have been so preoccupied with Lomé that we have been neglecting Asia and Latin America, and that is unfortunate.

In conclusion, Mr President, the greatest danger facing the Community in its dealings with third countries is that we are so busy with present-day problems such as the Lomé Convention, enlargement and the wider implications of the new situation in China that we forget to pursue a consistent policy in respect of the

internal economic order, the real North-South Dialogue, and concentrate instead on *ad hoc* measures connected with Lomé, trade agreements, the opening up of the Chinese market, and so forth. This is an unfortunate trend. The Community has now taken over the Member States' policies in many areas, and it is now up to the Community to take the lead. And I hope Mr Jenkins will say rather more than he did in his noncommittal and reserved programme speech and memorandum. I hope that we will be given a little more information, that we shall deal with the developing countries in the context of the North-South Dialogue, and that we shall not be satisfied with an *ad hoc* approach. I hope that Lomé and other bilateral talks will not be the last word on development cooperation and our responsibility as a Community towards the third world. Once again, what matters is not merely our solidarity or sense of responsibility — our future and our own economy are also at stake. This is not a selfish assertion: the Community's internal policy is inextricably linked to the development policy which I hope the Commission will pursue with us.

President. — I call Mr Dewulf.

Mr Dewulf. — (NL) Mr President, my group feels it necessary to react strongly to the section of Mr Jenkin's speech which dealt with agriculture. Some of us detected in it the voice of a British Labour MP. This part of Mr Jenkins' speech seemed to us to be particularly superficial, ambiguous and based on faulty premises. No, Mr Jenkins, we do not accept your ambiguous reference to the so-called historical reasons for the agricultural policy! The truth is that from the Community's inception agriculture has insisted on being regarded not as a separate entity but rather as an integral part of the European market and of the emergent European economic zone. In this new context farmers have declared their willingness to strive for rationalization and modernization, and they have done just that. This brings me to my second point.

No, Mr Jenkins, we do not agree with your 'wise' suggestion that agriculture, which now accounts for only 8 % of the Community's working population and barely 4 % of its gross national product, demands too much of our effort and time. Over the years millions of workers in the Community have left agriculture without causing unbearable financial or social burdens, and they have thus contributed towards economic integration. But agriculture still means more than just the number of workers or their contributions to the gross national product. For every job in agriculture there is a job in the agricultural supplies industries, or at least a job in the huge commercial or agro-industrial sector which supplies the food retailers. Here too workers contribute towards increasing the value of agricultural produce.

Dewulf

No, Mr Jenkins, nothing, and certainly not agriculture, has ever prevented anyone from embarking upon the same process of integration as that which has been accepted by agriculture. On the contrary, we European spokesmen for agriculture and the rural environment have for years been complaining that agriculture has been sent into the integration desert, unaccompanied by the other sectors, or at least without appreciable progress in the structural, regional, social, monetary, industrial or general economic spheres.

No, Mr Jenkins, we do not share your optimism or agree with your warnings about the new European Monetary System. This is the brainchild of a host of people, and to some extent it also bears your signature. But as members of the agricultural lobby which has been arguing for years that monetary instability and disorder have been among the prime causes of the distortion and undermining of the Community prices and market policy, as members of this integrated sector we call upon the executive — to which you belong — to act as quickly as possible to break the vicious circle in which the whole of agriculture is now locked. This should be done at the highest level — one inaccessible to us — namely in the European Council. Discussions on prices have reached stalemate and are tied to MCAs, which in turn are bogged down in the indecision on the EMS. Is this the fault of agriculture, or is agriculture merely the innocent victim which is made to carry the blame?

Finally Mr Jenkins, we are firmly and resolutely opposed to a price freeze. It is unacceptable on the basis of your own statistics, indefensible and fundamentally unjust. The Committee on Agriculture has already started to discuss this issue, and we hope to cross swords with you during the March part-session. Yes, Mr Jenkins, there are grave problems in connection with the balance between production and marketing in certain agricultural sectors. Yes, Mr Jenkins, the internal market policy pursued to date, and also the incoherent commercial policy on agriculture have cost a great deal. We must do something about this together. For our part we shall adopt a positive and creative approach: please do the same in drawing up your proposals on prices, your production targets and your commercial measures affecting agriculture. Part of the tension between the Community's northern and southern zones is associated with the day-to-day application of the commercial policy on agriculture, association agreements, bilateral agreements, industry, the developing countries, and with multilateral or world-wide negotiations. One of the Community's tasks in the world of today could be to defend the interests of agriculture and of farmers in the north and south of the Community in a spirit of coherence and solidarity. In the forthcoming European elections make sure that the farmers are our allies in Europe, Mr Jenkins.

President. — I call Mr Aigner.

Mr Aigner. — (D) It is unfortunate that the previous speakers have encroached so much on my own speaking time, otherwise my views might have been expressed more favourably than those of your Socialist colleagues; however, I haven't enough time. I am aware that the Community's stagnation is not due primarily to the Commission, but sadly to the provincialism of our national governments.

I should like to draw attention to one point, however, Mr Jenkins. That is all I shall have time to do. I was rather surprised that your speech contained no reference to the food aid programme, even though this will involve thousands of millions of units of account. It is mentioned only in Section 91 of your memorandum, which reads as follows:

The Commission will take whatever steps are necessary to ensure that its proposals to improve the management of food aid and extend the use of such aid as an instrument of policy are adopted before the end of the year.

This is the only reference to food aid. In the entire report there is nothing but a recital of various items, with not a single mention of the food aid policy. I would remind you, Mr Jenkins, of the discussion which we have already held here in which I asked the Commission some awkward questions.

For example, is there any truth in the rumour that our food aid to the Palestinians has been completely diverted and has been used to buy arms? And how can the Commission offer any political justification for continuing to supply food aid to Cuba of all States whose troops are having such a serious affect on the European position in Africa. I am astonished to learn that a few days ago the Community approved a further consignment of 20 000 tonnes of dried milk and 5 000 tonnes of butter oil of all things to the belligerent government of Vietnam! I am sorry, but the political basis of the Commission's food aid policy is becoming somewhat questionable! If what I am told is true, Mr Jenkins, it is absolutely ludicrous that our ships should lie behind the Soviet ships supplying the guns, while we supply the field rations! Our ships have to queue up in Hai Fong harbour and wait around until the authorities deign to take off our aid.

This raises the question of our general policy and I promise that if I am re-elected, and if Parliament chooses to re-appoint me to the trusted position of Chairman of the Control Subcommittee, one of my first tasks will be to supervise the Community's food aid policy. I would appreciate it if you could briefly state your policy regarding this state of affairs.

President. — I call Mr Howell.

Mr Howell. — Mr President, Mr Jenkins said that a rigorous agricultural price policy and price freeze can succeed, indeed, must succeed. I want to tell him that it will not succeed; it will be a total failure. In fact the Commission — and Mr Gundelach — have no sound idea for containing the milk surplus, and that is the fundamental problem which we face. All our faith is being put in the co-responsibility levy which is a price cut on the most efficient farmers in the Community, and it will fail. It will fail because there is a vast area of exemption, which will cover France and Germany where the main problem is, and it will be impossible to police the exemptions in co-responsibility.

In the brief time that I have Mr President, I do implore Mr Jenkins to look again at a quota system for imposing individual discipline on every dairy farmer in the Community. This is the only way you will solve this problem. You have been relying on price for years, and the problem is getting worse and worse. It will continue to get worse until you find a way of imposing individual discipline on individual farmers.

President. — I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, we have had a wide-ranging debate with, I think, twelve speakers all together, and I will endeavour to make such comments and replies as I can to the main points which have been raised.

First may I say a word in reply to Mr Porcu, who was the first speaker this morning? I was a little surprised to hear his reason for arguing against the enlargement of the Community. He said that we have six million unemployed within the Community, that if we enlarge it to twelve Community Member States unemployment will go up to 8 or 9 million. It did not seem to me a very internationalist attitude to say that the unemployed in Greece, Spain and Portugal do not count as long as they are outside the Community, and will only count if they come into the Community.

Mrs Ewing then gave an interesting and thoughtful analysis of some of the institutional problems, and there was at least one point of hers with which I agreed. It is that we should not put too much emphasis on the term 'Common Market'. I always myself use the term 'Community'. The common market is part of the Community, a very important part, but we should never forget that in our use of economic means, in the period of European reconstruction since the war, our purpose has always been political. Our sense of political purpose and vision, which is very necessary, is much better expressed by the term 'European Community' than the term 'Euro-

pean Common Market'. This is not to say in any way that it is not important and desirable to strengthen the unity of the market itself. But that is a part and not the whole of our objectives.

I now turn to Mr Albers's extremely important speech relating to social policy generally. He is right in saying that although the complementary memorandum deals with these issues in some detail, I, although I laid central stress on the unemployment problem, did not in my speech expound in any detail what we were doing about this in the social field. I apologize to him; that was so. There is always a problem of selection with a speech of this sort. It took 42 minutes which I think was quite long enough for the House, but maybe with the benefit of hindsight, I might have put in some of the points to which he referred in the speech and possibly left one or two others out. However, I would now like to deal in a little detail with the points he made, because they are, I think, important.

The Commission, Mr President, has a well developed and, it believes, coherent strategy for tackling the present level of unemployment, for re-establishing a high level of employment. This strategy was discussed in some detail in the Commission document put forward to the Tripartite Conference in November last year. Perhaps I could remind you of the principal points there. Our objective is to achieve a higher rate of economic growth through a higher rate of investment, and to support this by a number of economic and social actions: the European Monetary System, the new loan facilities, sectoral policy, work-sharing.

Our document to the Tripartite Conference was accepted by the Conference as a good basis for our further work. We are therefore following up the various aspects. The achievement of new working-time arrangements to create more and improve conditions of work is more and more under discussion and we will be presenting a communication to the next formal meeting of the Social Affairs Ministers on this question. I can say that it is already clear that national action is in our view impossible without Community level agreement. Following the Council discussions, and also consultations with both sides of industry, the Commission will then come forward with concrete proposals in the second half of the year.

Secondly, the Commission is putting forward suggestions to the next meeting of the Standing Committee on Employment in April or May designed to tackle the problem, as it is sometimes called, of mismatch on the labour market by providing a better qualitative and quantitative balance between the supply and demand for labour. This will include ideas for the strengthening of employment agencies and the improvement of vocational training.

Thirdly, we will be holding discussions at the informal meeting of the Social Affairs Ministers on ways of improving the Tripartite dialogue. I could

Jenkins

mention a number of other detailed measures which are being put forward in this field, but this gives you an indication of our broad approach on this very important aspect of our work.

I turn from that to a series of speeches relating to the energy problem: there was Mrs Walz, there was Mr Brown, and there was Mr Noè, in particular. There is no doubt at all that this is and should be a major aspect of our work. Mr Brown in a way put his finger on the matter when he listed a whole series of proposals — highly constructive proposals, in my view — which we had put before the Council, some of them in 1976 some of them in 1977 in 1978, and on which we had not been able to make progress. I think that think that events make it more than ever vital that this energy Council should seize its responsibility and take some decisions. Otherwise, we are faced, as Mrs Walz pointed out, with a declining use of coal, while all good sense should point it in the other direction. We have two proposals at least in this field.

We also have the nuclear problem which Mr Noè dealt with in an extremely interesting and thoughtful speech, to my mind. He said firmly that we must step up the nuclear part of our programme. In this field we take the view, as I think the House does that there is some need to reassure public opinion. Let us be in no doubt at all that with the world oil outlook greatly exacerbated as it has been, and made much more urgent by recent events in Iran, there is no possibility of our getting through without a nuclear programme.

But what I believe we need to do to reassure public opinion is to step up our efforts in the field of waste disposal and reactor security. There is no other way of increasing public confidence and acceptability. The Community is devoting to this aim 35 % of its overall research expenditure. We have already achieved good results in this area and will certainly not relent in our efforts. The Commission is absolutely fully aware of the centrally important nature of this problem, which was dealt with, as I said by at least three speakers.

We have proposals; we will consider whether new proposals are necessary; we will certainly take fully into account as quickly as we can the new outlook following events in Iran. It is bound to take a little time to work these through into a detailed survey — we can all have a very general view as to what this means — but we will certainly do that and we will, endeavour to the greatest possible extent to press the Council to take some decisions on a whole series of vital matters which we have before them.

Although it is the case in the energy field, as Mr Brown's speech made clear, there are a number of proposals which we have put to the Council and which we would like to see them take action on, it is not in general the case — this in reply to Mr Fellermaier on Tuesday — that the Commission merely piles Pelion on Ossa by sending a vast number of

proposals which wait which wait the ante-rooms of the Council and about which the Council does nothing at all. Broadly speaking, the Council does take positive action on the great majority of the proposals we put forward. Each year we transmit about 700 proposals: there were 747 in 1977 and 746 in 1978, and the Council adopted 643 in 1977 and 592 in 1978. Sometimes, alas, some of the more important proposals lie in the minority which have not been adopted, rather than in the majority which have been adopted; but I would not like the House to have the impression that the great majority of our proposals went into a wastepaper basket so far as the Council was concerned. This is happily far from being the case so far as the overall statistical position is concerned.

I turn, if I may, to the speech of Mr Fletcher-Cooke, which was devoted to the internal market and to what we were endeavouring to do with a number of proposals for removing remaining barriers. Here we are proposing a number of particular actions to the Council this year — proposals for achieving, for instance, a greater degree of uniformity in the rules governing trade with non-member States for harmonizing export procedures, for harmonizing provisions governing the scope of the information provided to customs administrations, and for simplifying formalities and checks at borders within the Community with a view to their eventual removal; these will include proposals on the settlement of disputes and the harmonization of duty-free entry schemes. We believe it is important to concentrate on the priority areas there, but I must say to the honourable Member, we do not regard it as a priority area to set up our own customs service: we wish to see customs services within the Community moving in the direction of withering away rather than to add a tenth one which would belong to the Community as such, to the Commission.

I now turn to Mr Patijn's speech. He raised a question of particular interest to me: what exactly is the programme speech? Is it the equivalent of a programme of legislation that a national government sets out for the year, or is it more in the nature of a review of what has happened in the past, and a look towards the future? Throughout the last two years, I have felt that there was a certain dilemma so far as this is concerned. It is not possible or sensible to set out a programme of legislation before this House, in a way that a national government can before its own Parliament, because we are not a government nor is this House a legislature, and therefore to bring forward a programme of that kind, would not make sense. The legislature is the Council, and in many cases what we would like to see happen during the year would be the implementation of measures which we had put forward previously. Therefore I think that to some extent 'programme speech' may be a slight misnomer. None the less, I believe it to be valuable. I

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think there is nothing sacrosanct about the month of February from this point of view, it may indeed be not the most logical time, and particularly as we move towards the new Parliament, the month of September might be more appropriate from the point of view of the rhythm of the Community's year; but what I think is of value is that we should have a speech which is more general, more widely encompassing than normally is the case with our debates, which tries to see how the Community has developed in the past year, which tries to see what the main problems are, where it can go in the future what our programme of work within the Commission is, and that there should therefore be in the House a wide and general debate on these matters subsequently. The programme speech, in my mind, has always been partly a programme, but partly a review, of the state of the Community at a particular point in time. There is an element of a photograph about it, as Mr Patijn says; but I hope and believe that such an approach will be regarded by the majority of the House as sensible as worth while and that — not necessarily, as I say, in February — we should continue this practice.

Mr Patijn also raised a number of questions relating to the developing world. With his general philosophy I am, as I think he knows, in very close agreement: I believe that a developing dialogue and not merely a dialogue in the sense of speech but a concerted programme to raise the purchasing-power of the developing world is not just an act of moral duty, still less an act of charity on the part of the industrialized world. There is increasingly a mutual interest, in so far as we are concerned with our somewhat, stagnant industrial structures at the present time, in helping the developing world to help itself, thereby trying to secure a major stimulus to our own somewhat stagnant industry. I have been convinced — and have said on many occasions — that if we are going to get a new impulse, which might help us to return to something like the growth-rates to which we were used in the relatively easy days and to the unemployment levels to which we were used for 25 years after the war, I am perfectly certain we will not achieve this without the Third World playing a significant part in the process. Therefore, in the general approach we are at one.

I hope that we can, as we certainly did in the North-South Conference in Paris a year last June, play a constructive role at the UNCTAD conference in Manila, where the common fund will be a matter of importance. I hope that we will have been able to find a satisfactory outcome to the multilateral trade negotiations, bearing in mind the interests of the developing countries, by the time the Manila Conference takes place. I hope too that we will have completed the Lomé negotiations by this spring, perhaps fairly early this spring. We need to complete them in good time because they then have to be ratified by 55, or

possibly 57, governments in the ACP States and by our nine Member Governments; all that must be done before the present Convention expires in the spring of 1980. So I think nine months from the signature to ratification by this vast range of countries could not be regarded as too long a period.

Lomé of course, is not the answer to all the problems of the developing world. It deals with a lot of countries, 55 at the present, maybe 57 in the future. Though these countries are concentrated in Africa, the Convention covers some Caribbean and some Pacific countries too. I think we have got to strike the right balance. Because we have got Lomé, we should not forget India, we should not forget Pakistan, we should not forget Bangladesh, we should not forget many other countries which are not in Lomé. But equally I think we have been right in taking the view that the right position for Europe was, while remembering the non-associated countries, to give a special concentration to these associated countries, so that the volume of our aid could make some significant impact upon them. If we were to say to the Lomé countries: 'We are now going to increase the amount of our aid by 50 % — which would be a big figure — and we are going to spread it over China, over India, over the whole of the rest of the world', the effect would be, of course, that it would be spread so thin that our projects could make no real impact. I think therefore that it is vital that we have a degree of concentration, while not forgetting the rest of the world.

We have in mind in the Lomé discussions the issue of the rights of man; I said something about that on Tuesday. We have in mind the questions of labour standards. But I know that Mr Patijn appreciates that we have to be very careful. He mentioned also the position of trade unions in these countries. We have to be very careful not to give sensitive governments the impression that Lomé is an instrument by which we in any way try and run their affairs or try to impose European habits and standards upon them. Because if we try to go too far in that direction the whole arrangement will certainly break down. Non-interference is a very important part of the whole basis of Lomé.

Perhaps I might, in passing there, deal with Mr Aigner's point, which was a detailed point about food aid. It was raised the moment before I got to my feet; it is a fairly detailed aspect of matters. Our aid to Vietnam was given through the Red Cross for purely humanitarian purposes. I am perfectly sure that with a little notice — probably, if Mr Cheysson, were here, even without any notice — the Commission would be very glad to debate and to explain our attitude on these matters to him.

Mr Dewulf, and also from a slightly different point of view, Mr Howell, raised some issues about agriculture — Mr Dewulf, as is good in debate, in a critical way,

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Mr Howell in a sceptical way — about the success of our proposals on milk. I would like to repeat to Mr Dewulf I did not say that the common agricultural policy was not a vital part of the Community. I did not say that I wished the Community responsibilities to be any less in this field. In fact I specifically denied this. But I did say that I wished our responsibilities to be greater in other fields, so that there was a better balance between what we are able to do across the whole field of Community wage earners, across the whole field of Community wealth producers, rather than this concentration of our resources and intentions on agriculture to an extent which I think, in relation to the population involved, is out of balance. I am not quite sure what Mr Dewulf was attacking...

Mr Dewulf. — Your speech!

Mr Jenkins. — Well, my speech. If he wants me to go through it again, I think it will be boring to the House, because I have just repeated what I said in my speech — let me be absolutely sure about this. I said:

I do not think that our responsibilities in agriculture should decrease, but rather that our responsibilities in in other sectors should increase, thus bringing about a better balance within the Community which should by its nature concern all our workforce and our whole capacity to generate wealth.

What is wrong with that Mr Dewulf? — You have a lot of questions to put to me. So we are agreed now...

Mr Dewulf. — Do you want another quotation?

Mr Jenkins. — I think that it might... He agrees with that quotation at any rate. So we have made a little progress so far as this is concerned.

The Commission has no intention of being unfair to farmers. But the Commission believes firmly that we must make rapid progress in removing the present imbalance in markets by which surpluses are produced and not just temporary, fortuitous surpluses. I would always take the view that it is better to have a small surplus than to have a small shortage. You can have unexpected changes in the position, and it is perfectly reasonable to intervene to prevent those having undesirable price effects upon farmers. What is totally different are structural, predictable surpluses in which a significant part of activity is going to produce for intervention with no hope of a market. Unless we are willing to face up to our responsibilities while taking the interest of farmers fully into account — unless we face the need to begin rapidly and significantly to restore some balance, we shall create a situation in which the common agricultural policy will collapse under its own weight.

(Applause)

And have left only one speaker to whose speech I have not replied, and that is Mr Brugh. I left it to the end because he put his questions very succinctly, and I think he will agree that I could not answer all his points in the course of what has already been perhaps too long a winding-up speech. But he did make one central point, which I would like to take as the conclusion of my remarks. He expressed a great sense of disappointment that the EMS in particular had not yet come into operation. As a result of this he gave a slight impression of the Community being in a continuing process of losing momentum. I share his disappointment. But the idea that we are in a continuing process of losing momentum would not be, in my view, true. I think that 1978 was a remarkable year for the Community, a year in which we gained more momentum than we had for quite a considerable time past. I think the tragedy was right at the end of the year. We lost some of that momentum, and we have not yet recovered it. I believe it is crucial that we do recover it.

I understand, in relation to the EMS in particular, the point of view of an honourable Member from Ireland, or the point of view of an honourable Member from Italy. Both those countries took very bold and difficult decisions to come into the EMS. My own country, Britain, I regret to say, did not take that decision. But with the system being held up, as it has been held up for several months, it would be easy for the country which did not participate to say: 'How right we were, and difficult for the countries which, in my view constructively and in a European way, took the decision to participate. Having screwed up their courage to dive into the cold swimming bath, they are told that they can't do so for several months. That is very undesirable from the point of view of the progress of the European idea.

Therefore, I hope that this House will not see things too gloomily. Compared with the position last year, great progress was made. The momentum was not quite held at the end of the year, and has not yet been recovered. What we have to do is not to recriminate amongst ourselves, but to use all the force this Parliament still has, even though it will soon be replaced by another one, to send messages to the governments saying that it wants the momentum which was there up until the end of the year recovered, and recovered very quickly indeed.

(Applause)

President. I call Mr Aigr  r, whom I ask to be very brief, as this morning's agenda has been considerably abused and Mr Jenkins has to leave at 1.10 p.m.

Mr Aigner. — (D) Mr President, I should like to submit a request to President Jenkins concerning his affirmation made in reply to Mr Patijn that we are not a government and this house is not a legislative.

President Jenkins, in expressing yourself in this way you are subject to semantic deception originating in the national governments and the Council of Ministers. You are part of a government, and only you can initiate legislation; this is an element of governmental power, and you should not be misled by semantic deceptions. You should defend your power and even, if possible, try to strengthen your position rather than impose semantic restrictions on it. If you do not defend your rights, our rights will also be jeopardized. Neither are we merely a consultative body: we have budgetary rights. We have engaged in fierce arguments with the Council of Ministers and have drawn up the budget against the wishes of the nine finance ministers. We are therefore not acting merely in a consultative capacity: every law on finance affecting the Community's expenditure and revenue must receive the prior approval of this House. I would therefore ask you to be more circumspect with these concepts in future and not to be swayed by this semantic deception stemming from nationalist quarters.

President. I call Mr Jenkins.

Mr Jenkins, President of the Commission. — Mr President, I hope very much that when replying to debates in the House one may be allowed to take up points and deal with them. Mr Aigner is quite wrong if he thinks that I am surrendering any of the power of the Commission. The Commission is not a government; it has certain very important initiating powers, but I was dealing with a totally different point, which was the relationship of the programme speech to a national government speech, and I think that, if we are to have free debate in this House, one must be allowed to illustrate points with statements which are reasonable statements of fact without Mr Aigner's thinking that I am making some change of doctrinal position. I will defend the position of this Parliament and I will join with him in defending the position of the Parliament, but he knows as well as I do that it is not possible, except in realms of the imagination and not of fact, to say that this Parliament ... it has very important budgetary powers, but to say that it has legislative powers in which it legislate over the whole field is a statement of wish, it is not a statement of fact.

President. The debate is closed.

5. *Communication on the social aspects of the iron and steel industry*

President. The next item is the report (Doc. 603/78) by Mr Laurain, on behalf of the Committee on Social Affairs, Employment and Education, on the

communication from the Commission to the Council on the social aspects of the iron and steel policy.

I call Mr Laurain.

Mr Laurain, rapporteur. — (F) Mr President, ladies and gentlemen, let me begin by saying something about how we are going to proceed. I know it is very close to lunchtime, and I shall require a certain amount of time to outline the problem. I wonder if the President of the Council will still be here to comment.

My question is therefore: can I have at least ten minutes to outline the basic points?

President. I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Council. (F) Mr President, it goes without saying that I shall be at Parliament's disposal for the whole of the debate on Mr Laurain's report. It is true that I have a rather tight schedule, but Mr Laurain may take as long as he wishes to outline the report he is now going to present.

President. I call Mr Laurain.

Mr Laurain, rapporteur. — (F) Mr President, the Committee on Social Affairs, Employment and Education asked me to present the report on the social aspects of the European iron and steel policy. I shall try to sum up this Committee's views briefly, but first I should like to outline the current situation in the iron and steel industry.

The crisis affecting the European iron and steel industry is an extremely serious one. The Davignon plan made provision for reducing the workforce from 760 000 to 600 000 and, as you know, entire regions are at present gravely affected, in particular regions dependent solely on a heavy industry, where there is no possibility of immediate re-employment locally. This is the case in the Lorraine area in particular, which I know well, and where 30 000 jobs will have been lost between 1977 and 1980.

The crisis in the iron and steel industry has moreover very serious repercussions all round, in particular on the metal-processing industry, building, public works and trade. The services are also affected. It is said that for each job lost in the iron and steel industry there are at least two jobs lost in dependent industries; some put the figure at three, others at four. In this connection may I ask the Commission whether a study has been carried out and whether it can state what effect cutbacks in jobs in the iron and steel industry have on employment in dependent sectors? As regards the current situation, I would point out that the problem is urgent. The European Assembly must take decisions rapidly, or at least make recom-

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recommendations which would then be applicable in the Member States. In the case of Lorraine in particular the redundancy notices have already arrived and the workers are awaiting a reply from the Community. If it is really to inspire confidence — and I think that what is happening at the moment is very important — Europe must prove itself and fulfil the expectations of the steelworkers.

Secondly, I should like to outline very briefly the effects of the Davignon plan, i.e. the anti-crisis plan. I do not want to criticize it in principle, because safeguard measures were in fact necessary, the steel market had to be stabilized, in particular in the face of the fierce competition from some third countries.

Without repeating in detail the speech which I made last January in Strasbourg, I should like to mention two points, one of which concerns specifically the Committee on Social Affairs, Employment and Education. The first is, briefly, the lack of industrial ambition of the anti-crisis plan which is limited to managing the recession without making adequate attempts to forecast future world steel requirements, both internal Community consumption and external consumption.

However, the Commission's role is mainly social and we have devoted our attention to one of the main shortcomings of this anti-crisis plan; the absence of social measures. In our view the Davignon plan reconciles itself too readily to unemployment while the workers are in a highly dramatic situation. I would point out that unemployment is a social scourge in general and must be combated at all costs. No economic and financial consideration should prevail over the human factor which calls for action. I would point out that the right to work is laid down in the Universal Declaration of Human Rights and that all the Member States of the Community as a whole thus have an absolute duty to combat unemployment.

With these considerations in mind the Commission presented a communication to the Council which contains the traditional forms of aid designed to combat unemployment, in particular the retraining of workers and unemployment benefits. The communication makes provision also for new social measures, the cost to be met by the Commission which have already been formulated by the ECSC Consultative Committee and by the European Trade Union Confederation. Briefly the four principal measures are: lowering of the retirement age, reorganization of shift work, introduction of a shorter working week and restriction of overtime.

You know that this issue has been debated in Parliament several times in recent months and that there have been many contributions on the subject. The Commissioner, Mr Davignon, made a general speech in November and in January there was Mr Ansquer's report on the iron and steel industry. Each time the social aspects have been more or less side-stepped: these must now be considered fully and in detail and

it is up to the Committee on Social Affairs to decide which social measures are indispensable to combat unemployment.

The Committee was divided about whether it should stick to the general and vague formulation of the social measures I have just spoken of or whether it should put them into more concrete terms. Personally, I was in favour of the latter, though the majority of the Committee did not support my view. It was therefore agreed to state a minimum which was acceptable to all, even if amendments arrive this afternoon or tomorrow at the time of the vote which present the measures in a more concrete form. The main points, as you know, are the 35-hour week — without loss of salary might I add, because otherwise this would only be a form of short-time working — retirement at 55 years and a fifth shift. These specific measures should apply first of all to the sector most affected namely the iron and steel industry. The idea is not to introduce the 35-hour working week in all sections, but to mitigate the effects of the iron and steel crisis without delay.

And there is another important aspect to be borne in mind: the countries of the European Community must all agree to apply these various measures concurrently; otherwise, if only a vague statement is made, or if, for example, just one country introduced the 35-hour week the result would be market imbalances and distortions of competition which would be damaging to the workers as a whole; the country taking such an initiative would thus be penalized. Consequently, the European Assembly must agree to apply these concrete social measures, and in particular the 35-hour week simultaneously. Allow me to add that there is no intention of by-passing the trade union organizations; the measures are obviously being proposed to the Member States but tripartite negotiations must be held between the governments, the employers and the trade unions in each country. Only after negotiation can agreement be reached.

In any event, in view of the urgency of the situation, an initial measure is necessary — and I draw your attention to this, ladies and gentlemen — and that is to call a halt to all the redundancies which have been announced as long as there is no possibility of equivalent re-employment locally. Moreover, it is the Committee's opinion — and agreement was reached on this point — that such a principle should be included in work contracts in the future. I repeat: no redundancy unless there is a possibility of re-employment.

One criticism has been levelled, in particular at the 35-hour week, namely the financial cost of the operation. Allow me to repeat very briefly what I have said several times in this Assembly: if unemployment benefits, the loss in social security contributions, the cost of overtime and the cost of absenteeism (obviously a 35-hour week will cut down absenteeism) are deducted, and given, by the same token, improved productivity, it is obvious that contrary to what has

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been said, to what is believed in certain circles, the operation would result in an average increase of 3.5 % in wage and social costs. In Lorraine, a region which is especially affected, where the problem must be dealt with urgently, a 35-hour week alone would keep 8 000 in employment. Thus a balance must be found and the cost of unemployment offset against the cost of the 35-hour week and the cost of other social measures.

To finance the additional cost for undertakings — and don't tell me that this is an insurmountable obstacle in view of the Community aid available — there is Article 56 of the ECSC Treaty, there is the Social Fund and the Regional Development Fund. For more details I invite you to read carefully the amendment, or rather the motion for a resolution, annexed to the report, which will be presented as an amendment of the Committee on Budgets. This contains all the necessary details of the possibilities which are available to the European Assembly, or rather to the European Community, in particular the ECSC, to finance the social measures that are recommended.

Finally, I shall touch briefly on the cultural aspect of the issue: a 35-hour week would improve working conditions and the quality of life. It would mean free time which the workers could devote to cultural activities, to participation in social life; the adoption of such a provision would herald a new era for workers. I will not read the conclusion of the explanatory memorandum; I will say simply that the Europe of the Nine must prove itself. The workers are waiting to see its attitude, its response. On this response will depend the workers' confidence in the construction of Europe, and this will be reflected in the European elections on 10 June next.

President. — I call Mr Bernard-Reymond.

Mr Bernard-Reymond, President-in-Office of the Council. — (F) Mr President, thank you for allowing this debate to continue after one o'clock to allow me to intervene. I will be very brief, because as you know the Council has not yet discussed the very important and specific questions which Mr Laurain just raised in his report. I therefore cannot speak as President on behalf of the Nine as obviously we have not yet reached agreement on issues which have not yet been raised.

I wanted none the less to be here for the presentation of this report to demonstrate the importance which the presidency accords to this extremely complex problem which is placing numerous families in Europe in a delicate and difficult situation. We are aware of the situation of these families and — as the French Minister of Foreign Affairs stated in January last in this Assembly — the French presidency intends to give priority to and place special emphasis on the social aspects of the problem.

This is why I wanted to be here for Mr Laurain's report; may I assure you that I will pass on to the other members of the Council the proposals which the rapporteur has just made to your Assembly.

President. — The proceedings will now be suspended until 3 p.m. The House will rise.

(The sitting was suspended at 1.15 p.m. and resumed at 3 p.m.)

IN THE CHAIR: MR COLOMBO**President**

President. — The sitting is resumed.

6. Membership of committees

President. — I have received from the Group of European Progressive Democrats a request for the following appointments:

- Mr Kreig to replace Mr Inchauspé as member of the Committee on Budgets;
- Mr Inchauspé to replace Mr Halvgaard as member of the Committee on Agriculture;
- Mr Halvgaard to replace Mr Krieg as member of the Committee on Energy and Research.

Since there are no objections, the appointments are ratified.

7. Question Time

President. — The next item is the third part of Question Time (Doc. 607/78).

We continue with the questions addressed to the Commission.

Since their authors are not present, Question No 10 and Question No 11 will receive written replies.¹

I call Question No 12 by Mr Prescott:

Is the Commission satisfied with all its internal audit systems and are changes envisaged?

Mr Jenkins, President of the Commission. — The Commission applies the rules of the Financial Regulation which provide two lines of financial control, first, by those operationally responsible, and second by the financial controller with his special responsibilities. To be effective both types of control must operate on the basis of clearly defined policies. Our financial controls are, I believe, adequate overall but the Commission is always ready to consider suggestions for improving the existing mechanisms from Parliament, its Control Subcommittee and mechanisms Court of Auditors.

¹ See Annex.

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Mr President, I know that the honourable Member, and I believe the House, would not wish me to leave these matters without saying something on the question of representational expenses, a matter brought into recent prominence. I refer to press articles that have appeared about Vice-President Haferkamp. On these I would make two points to the House: first, I wish to emphasize to the House, as I have already made clear publicly, that I have full confidence in Vice-President Haferkamp as Commissioner responsible for external affairs, a task which I myself made the decision to ask him to undertake just over two years ago. My confidence is fully shared by my colleagues in the Commission and indeed also by the Council of Ministers who, at their meeting of 6 February, expressed not only their confidence in, but strong appreciation of, Vice-President Haferkamp's work, not only for his part in the MTN negotiations but also in the other aspects of his responsibilities.

Second, Mr President, when allegations of this kind are made, it is clearly in the best interests of all that the existing procedures for examining such matters should be brought promptly and effectively into action. I understand that a request has been made to you, Mr President, to seek a report about Commission representational expenses from the Court of Auditors. I would like to add the support of the Commission to this request. I hope that the Court of Auditors could be invited to examine this matter and to produce a full report as expeditiously as possible. The Commission, will, of course, cooperate fully with the Court of Auditors. Until we have their report, I believe that it would be wrong for me to comment in this House on the detailed issues that have been raised, or in any way to anticipate their findings. However, when the Court of Auditors has reported, the Commission will be available to discuss the report with the Control Subcommittee and this House in order to resolve these issues.

More generally, the House knows that the Commission has for a number of years followed a set of well-defined rules as to the distribution and disbursement of representation expenses. These rules were reaffirmed and strengthened in June 1977. First, the Commission decides each year on annual sums for each member of the Commission within a total annual budget. These sums are kept under regular review during the course of the year with the aim of ensuring that the Commission as a whole stays within its total budget for the year. The budget for Commissioners' representational expenses was not exceeded in 1977, nor will there be any excess in 1978. Second, I would emphasize to the House that the individual limits which are set are not inflexible limits, they are rather indicative ceilings. The range of commitments of individual Commissioners vary and cannot be predicted with total accuracy in advance. We therefore ensure that there is some contingency reserve within the total budget. Within the indicative ceilings that are set annually by the Commission; it is for each individual Commissioner to judge how his representa-

tional expenses should be used. The rules exist for his guidance and support. These arrangements have existed for some years and have I believe, in general, worked well. Official travel and bills for accommodation while travelling on duty are treated separately. It is for the Commissioner himself to decide what is appropriate and necessary, subject to the right of the Financial Controller subsequently to rise any special point. That part of a hotel bill which relates to meals or refreshment is, however, either charged against the Commissioner's representational expenses if official hospitality is involved, or is paid for by the Commissioner himself if it is beyond his daily allowance whilst on mission.

In a Community of Nine Member States, and three candidate countries, with three seats of Community institutions and numerous contacts to be maintained amongst our trading partners, including 55 ACP States, Commissioners necessarily travel a great deal. It is a burden rather than a pleasure, but we could not possibly perform our duties without very frequent movement.

I return to the Commission's representational expenses. In 1978 the total expenditure on this item amounted to 11.7 million Belgian francs. This represents an increase over the past five years of less than 20 %. Over the same period the increase in the Community's consumer price index has been approximately 52 %. There has therefore been a substantial reduction in real terms. The total budget is I believe much less than the comparable figure for most national governments whose ministers, in addition to any central figure, are also generally able to use the resources of embassies abroad. The representational burden of the Commission, both collectively and individually is however a heavy one.

In 1978 for example, the Commission entertained 14 Heads of State or Prime Ministers, apart from other important visitors and delegations from inside and outside the Community. In my judgment the total budget is neither excessive nor out of line with the duties and responsibilities that the Commission is expected to perform.

As I have indicated to the House, Mr President, the Commission welcomes the proposal to seek a report from the Court of Auditors on these matters. It will consider carefully the implications of that report it will cooperate fully with the Parliament and it will take any steps that may be desirable to improve the financial management of the expenditure.

President. — Before calling the author of this question, I should like to inform the House that, at the suggestion of the Control Subcommittee of the Committee on Budgets, I have asked the Court of Auditors to state its opinion on the way in which funds earmarked for the Commission's representational expenses have been used over a period of two years.

I call Mr Prescott.

Mr Prescott. — Mr President, I think the House will welcome the two statements we have just received in regard to allegations made about Commission representational expenses and welcome the fact that the Court of Auditors is now making an enquiry. I wonder whether the President could tell us if, once the Court of Auditors has reported, he will be prepared to give whatever papers may be requested by the Control Subcommittee of this House when studying the Court of Auditors' report from the Commission.

Secondly, does he agree that transparency in these matters is essential in order perhaps to counter the many rumours that one hears about these matters. I want to make clear, and certainly I think Members of this House would also wish to make clear, that the latest comments on the use of air taxis, whether proper or improper, should not lead to restrictions on use of this mode of transport if it enables Commissioners on legitimate business to move around the Community. I hope it does not lead to restrictions on their activities.

Mr Jenkins. — Mr President, I think in general that pending the report of the Court of Auditors, I should not add to what I have said. I have, however, indicated that the Commission will cooperate fully with the Control Subcommittee and this house in general in considering that report and helping to resolve the issue. I do not think it would be desirable to have two parallel enquiries, but of course the House will have its rights, full rights, when the report is forthcoming. That apart, I note what the honourable Member says.

Mr Fellermaier. — (D) I should like to thank you on behalf of the Socialist Group for clarifying this matter in great detail during Question Time today. However, I should also like to ask how it is possible for a newspaper to pick out examples from Caracas and Geneva, etc. from individual accounts submitted in accordance with the Commission's rules governing representation expenses? Am I to assume, that when you travel to Peking in a few days, we will subsequently come to read in some newspaper or other whom you dined with, for whatever reason, how sumptuous the meal was and what it cost in the interests of developing trade relations with China?

Mr Jenkins. — I shall be very happy for the House, if it is interested, to know with whom I dined in Peking (*Laughter*). So far as the first part of the honourable Member's question I am grateful to him for what he said about having clarified this issue. But so far as the second part is concerned, none of us can control what appears in particular journals. One aspect of this matter has rather worried me, and that has been a certain national aspect which has been imported into the proceedings. I think the Community ought to grow up beyond that. We are not a United States —

some people would like, us to be some people would not — but if a rather scurrilous article were to appear in a Chicago newspaper about some gentleman from New York, I do not think it would be regarded as an Illinois plot against the East Coast of the United States, and I deeply deplore the article and the aspersions cast upon Vice-President Haferkamp's conduct of his office which I think has rendered great service to the Community. But I also deplore any suggestions that can be divisive from the point of view of the unity of the Community.

(*Loud applause*)

I have devoted a large part of my life to the unity of the Community, and I hope and believe that I have had very close relations with the German nation. They have certainly honoured me with the Karls Prize which is the honour I most treasure of those I hold. And any suggestion that an issue — a nasty little issue — raised by a journal of this sort should be divisive of our Community, when it needs unity more than at almost any other time, I find deeply deplorable.

(*Applause*)

Mr Notenboom. — (NL) I shall be very brief, Mr President. I must thank the President of the Commission on behalf of my group, and also for attending yesterday's meeting of the Control Subcommittee. We regard these attacks as attacks on Europe itself. People who look for scandals and spread rumours are attacking Europe and attacking all of us. Fortunately, we have a Court of Auditors. We no longer have to put up with sensationalism. We have a Court of Auditors which, at the request of our President with the agreement of the Commission will look into the matter calmly and, as long as nothing is proved, our confidence will remain unshaken. I only hope that, in the interests of Europe, the Court of Auditors will not take longer than strictly necessary to look into this matter. This would be in the interests of us all.

Sir Brandon Rhys Williams. — May I, as a member of the European Conservative Group, associate the group with the statement which has been made by President Jenkins, which was very dignified. It was very helpful, and I think, it will now bring this unhappy incident to a close — which we will all welcome. Obviously the right decision has been taken in referring this matter to the Court of Auditors, and Members of Parliament, just as much as members of the Commission, will hope a very satisfactory outcome.

Mrs Dunwoody. — Mr President, on a point of order, would you point out to the Commission that statements of that length really have no place in Question Time?

President. — Mrs Dunwoody, you are certainly right from the point of view of the strict application of the Rules of Procedure. However, I am responsible for

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discipline in the work of this Parliament, and I felt it was right to devote more time to this matter, which affects all of the Community institutions, the Council, Commission and Parliament. I hope, in spite of the disagreement you have expressed, that you are not too displeased at this.

(Applause)

I call Question No 13 by Mr Spinelli :

Does the Commission not consider that the seizure on 19 October 1978 of a number of books, including Antonio Rubbi's 'I partiti comunisti dell'Europa occidentale' (West European Communist Parties), by West German customs officials at the Basle frontier post between the Federal Republic of Germany and Switzerland — a seizure prejudicial to the interests of the Italian publisher Nicola Teti — not only infringes German national law, which does not provide for any censorship of political literature, but is also at variance with the fundamental principles of the Treaty of Rome and the existence of the Customs Union between the Member States; what measures does it intend to take to prevent any similar abuses occurring in any Member State in future, and finally, what steps does it intend to take to obtain redress at the earliest opportunity in respect of the damages suffered by Mr Teti as a result of the action taken by the German police?

Mr Vredeling, Vice-President of the Commission. — *(NL)* According to the information available to the Commission, the books of the Milanese publisher were confiscated by the German customs not because of their contents, but as a security for the fine of DM 20 imposed by the customs office which the person involved did not want to pay immediately. Mr Teti arrived at the Weil-Otterbach customs at 8 p.m. on 19 October 1978 and when asked by a customs official whether there was anything to declare, a negative reply was given by a German-speaking person accompanying him.

The goods confiscated were: 9 brochures entitled 'I parti comunisti', 7 illustrated booklets entitled 'La Romania' and a folder with advertising leaflets. The fine was imposed in accordance with the relevant customs regulations on the grounds that a negative answer was given when the customs official asked whether there was anything to declare. When the boot of the car was searched, it was found to contain books intended for the Frankfurt Book Fair. Failure to declare goods is an offence of omission punishable by fine. The Commission has been informed that the customs post involved has been instructed to release the books.

In the light of these facts, the Commission feels that for formal reasons, with the emphasis on 'formal', it is not possible to take any steps whatsoever with the Member States.

Mr Spinelli. — *(I)* I am greatly surprised by this answer. One is only required to declare articles to the customs on which duty is payable, so that it may in

fact be paid. Otherwise, one would have to declare everything in one's luggage, starting with one's dirty underwear. However, the taking of books — of any kind — to the Frankfurt Book Fair does not render one liable to duties and for this reason there is no need to declare them — indeed, the books finally had to be released. The Commission should, therefore, take account of the damages suffered by the editor of the books as a result of the fact that he could not present them at a fair, the very purpose of which was to provide publicity for books of this kind.

Your answer, therefore, is, if I may say so, not correct.

Mr Vredeling. — *(NL)* I am afraid that, in formal terms, my answer is unfortunately correct, with the emphasis on 'unfortunately'. Furthermore, I must point out that the spirit I have had to give this answer is the same as that in which Mr Spinelli made his protest.

Mrs Squarcialupi. — *(I)* The Commission's reply filled me with a certain astonishment which I think needs no comment.

I should like to ask the Commissioner whether or not he considers that the seizure of this book — which, incidentally, can be seen in every shop window — also implies an attack on the ideologies of the other parties represented in this Parliament, as Mr Jenkins pointed out. In other words, do you think that an attack on the citizens of one Member State can be considered as an attack on the citizens of other Member States of the Community.

Mr Vredeling. — *(NL)* I must draw particular attention to the formalities, with which I am personally not so familiar. It is a fact that goods of this kind should be declared, for reasons which are apparent, pure formalities — indeed, I myself, as I have just come to realize, have frequently been guilty of infringing regulations of this kind, which are apparently in force. However, all I can do is draw your attention to this formality. The regulations are what they are and their strict application can, whether we like it or not, occasionally, result in *de facto* injustices. Furthermore, as far as I know, this was not a question of action taken against a particular political party, although I must admit that appearances might lead one to believe that it was.

Mr Fellermaier. — *(D)* Mr Vredeling, may I ask you quite specifically once more whether, in the Commission's view, these books, which were intended for the Frankfurt Book Fair would not have been confiscated if the Italian editor had paid the fine of DM 20 imposed, rightly or wrongly, by the German customs official? Am I also right in thinking that Mr Spinelli's question was not in fact justified, implying as it does that there may be some censorship of political literature going on?

Mr Vredeling. — (NL) The answer is yes. The fine imposed — for formal reasons, I stress again — had nothing to do with the content of the books, but with the fact that they were not declared.

Incidentally, I must admit that I have often been guilty of the same thing myself, i.e. I have bought a book in Luxembourg and taken it with me to France, and I am sure many other people in this House have done the same thing. Apparently if I do this I am infringing regulations, but I was unaware of this fact up to now. I should therefore like to repeat that I can fully understand why this matter has given rise to comment in Parliament.

Mr Fletcher-Cooke. — This is a much more disgraceful affair than appears, and I strongly support Mr Spinelli in his question. If there are forward reasons why books like this should be declared, that is contrary to the spirit and, I believe, the letter of the common market, by which internal barriers should be reduced, and if these rules exist why does not the Commission take the country responsible for these internal barriers to the European Court in Luxembourg?

Mr Vredeling. — (NL) The reason why the Commission cannot do this is — and I agree with the honourable Member on this point — that this kind of thing is contrary to the spirit of the Treaties but not, unfortunately, to the letter.

Mr Pisoni. — (I) I assume that everybody, as the Commissioner has already pointed out, carries books with him when travelling, and it strikes me as strange that one should have to declare them when moving from one Community country to another.

I should like to ask the Commissioner explicitly — since he has recognized that this constitutes a restriction on free movement and the movement of ideas — whether or not he feels it his duty, if it is compulsory to declare these books, to propose a directive or regulation with a view to eliminating this obstacle which strikes me as militating against a minimum of liberalization in the exchange of ideas and cultural development.

Mr Vredeling. — (NL) I shall pass on Mr Pisoni's suggestion to Mr Davignon, on whose behalf I am dealing with this matter.

President. — Mr Spinelli ...?

Mr Spinelli. — (I) I should like request a topical debate on this matter.

President. — I call Mr Cot.

Mr Cot. — (F) It seems to that the points made in all quarters of this House are sufficiently convincing for us to be able to do without over-long speeches.

I understand Mr Vredeling's difficulties in this matter, but I should nevertheless like to ask him to be a little more precise or to hand the matter over to Davignon, otherwise we can keep going round in circles for ever.

Mr Vredeling. — (NL) I see I shall have to speak on my own behalf, which I might as well do since this is ultimately what we are here for. I am prepared to ask Mr Davignon, who is really the person responsible for this matter, to consider whether or not he can in fact do something about it. I cannot say how much he might be able to do since this question is outside my competence. However, in the light of the reactions in this Parliament I am prepared to ask him whether it is correct that the Commission should remain passive or whether it should take some action in this matter.

Mrs Ewing. — As the Commission has the question before it and presumably came here with its answer prepared, can it excuse me for being confused as to what the justification for this seizure was? Was it some payment of some duty according to a national law of a Member State, or was it some form of censorship? I would like to have this simple issue cleared up today.

Mr Vredeling. — (NL) As regards Mrs Ewing's first remark I must point out that I departed considerably from my prepared answer.

As for the second question, it was a fine imposed on the person involved because he answered 'No' when asked 'Have you anything to declare?'

President. — I call Mrs Ewing on a point of order.

Mrs Ewing. — It was a very simple question, Mr President, and I would like to record that it was not answered.

Mr Nyborg. — (DK) In order to get things into perspective, I should like to ask Mr Vredeling whether or not it is true that a distinction is made between two different kinds of transport of goods over the borders? If Mr Vredeling takes books he has bought in Luxembourg or France with him over the border, according to the regulations in force he can do so duty-free. Movement of goods over the border for trade purposes is another matter. Can Mr Vredeling confirm this?

Mr Vredeling. — (NL) I did in fact give Mrs Ewing a direct answer. She asked me whether it was a question of some duty or other and I said, 'No, it was a fine'. I did not listen to the English interpretation, but this is what I said.

And now to Mr Nyborg's question. Yes, I have the impression — although I am not familiar with the details — that this fine was imposed on the grounds that these goods were being imported for trade purposes, i.e. the Frankfurt Book Fair. However, I

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think it is going a bit far to include this under 'trade purposes'. That is my view.

President. — Mr Spinelli has requested a topical debate. According to Rule 47 B (1) of the Rules of Procedure :

Before the close of Question Time, any political group or at least five Members may request that a debate be held immediately thereafter on the answer given by the Commission, the Council or the Foreign Ministers meeting in political cooperation on a specific matter of general and topical interest.

In the general guidelines for the application of certain of the Rules of Procedure it is stated, in connection with Rule 47 B, that :

As request to hold a debate immediately after Question Time shall not be granted as a matter of course. Such a debate shall be held only exceptionally where it is justified on grounds of urgency.

Before I ascertain whether or not this request was in fact made by a political group or at least five Members, I suggest that, considering the length at which this matter has already been discussed, we should consider whether it would be appropriate to make substantial changes in the agenda for this part-session.

Mr Nyborg, why do you wish to speak ?

Mr Nyborg. — (DK) Mr President, I should merely like to point out that I have not yet received a reply to the question I put to the Commission. I am sure it is in keeping with the Rules of Procedure for me to ask for an answer.

Mr Vredeling. — (NL) Mr President, what we are discussing here is the question of someone being detained by the German customs authorities at a border post between Germany and Switzerland. The honourable Member asked whether I thought that this fine was perhaps imposed on the grounds that goods intended for trade purposes were not declared. I answered that this struck me as probable. However, I cannot here go into the motives of a national customs post in some village or other on the German/Swiss border.

President. — I call Mr Spinelli.

Mr Spinelli. — (I) The request for a topical debate comes from at least two groups, since I believe that Mr Fellermaier goes along with this request. Regardless of the appropriateness of discussing it now or on subsequent occasion, the fact remains that this is an extremely important problem which calls for discussion at greater length.

President. — Mr Spinelli, I cannot decide now to hold a topical debate on a subsequent occasion.

Mr Spinelli. — (I) I request on behalf of the Communist and Allies Group that this debate should be held at the end of this Question Time.

President. — I call Mr Fellermaier.

Mr Fellermaier. — (D) Mr President, if the Member of the Commission, whose answer I understand, states here that according to the letter of the Treaties there is no reason to bring the Federal Republic of Germany before the Court of Justice, but that this would be appropriate according to the spirit of the Treaties, this strikes me as something so basic that I support Mr Spinelli's request for a topical debate, but I should also like to suggest, in view of the agenda situation that the various groups agree to shorten this topical debate by restricting the list of speakers so that a total speaking time of only 30 minutes will be required.

President. — I call Mr Howell.

Mr Howell. — Mr President, I strongly oppose any idea of a debate on this subject at the present time. It is obvious that the Commission cannot give any adequate answer to this problem, and it would be much more satisfactory to discuss this sensibly at the next part-session. Furthermore our proceedings have already been so pushed around on this occasion that we ought not to put business which is already on the agenda further back as a result of this further discussion.

President. — I call Mr Cunningham.

Mr Cunningham. — Mr President, I am frequently puzzled by the liberty with which this Parliament applies its own Rules of Procedure.

(Cries of 'Hear' 'Hear'!)

As I read Rule 47B, the position seems to be even clearer than it was this morning. There is to be no debate as to whether we hold a debate on this issue. The honourable Member is entitled to ask for it, you are entitled to decide the matter, you are not expected always to take a decision in the affirmative, but there is to be no debate.

Secondly, it says quite clearly that the decision as to whether to hold a debate on a request shall be taken by the President only at the close of Question Time. Now, we have not got to the end of Question Time yet, so what are we talking about? It is entirely a matter for your discretion without debate at the end of Question Time, whether to agree to this or not. So should we not now continue with Question Time and leave it to you take the decision at the end?

President. — I shall postpone my decision on this matter until the end of Question Time since I feel we should go on with the questions still outstanding.

President

I call Question No 14, by Sir Geoffrey de Freitas :

What plans has the Commission for encouraging the increased use of inland waterways for the transport of heavy goods within the Community?

Mr Burke, Member of the Commission. According to the Commission's conception of a common transport policy which aims at a gradual adaptation towards a system based on the principles of the market economy, the division of goods between modes of transport should be left to the market mechanism, and thus be a function of the respective advantages that each mode offers to the users. For the Commission there is no question of approving intervention by the authorities to protect or artificially favour one mode of transport as against another.

This, however, is not to say that the Commission takes no interest in the difficulties that confront inland waterways, and which are due largely to the relative decline in transport demand for heavy goods, stemming from the fact that the demand for these products reflects structural changes in the economy.

With regard to the organization of the transport market, the Commission is presently preparing a series of proposals intended, *inter alia*, to encourage the adaptation of the inland waterway fleet to the specific needs of shippers. These would make inland waterways more attractive and more competitive, and put the sector in a better position to exploit its advantages for certain traffic. Furthermore, the Commission, bearing in mind that the modernization of certain sections of the inland waterways system would constitute an additional factor in increasing the attraction of this mode of transport, examines with the greatest interest every structure project aimed at improving the level of service offered by inland waterways.

Sir Geoffrey de Freitas. — Does not this method of transport require relatively little energy compared with the other systems, and is it not therefore the duty of the Commission to intervene and encourage plans for its exploitation?

Mr Burke. — I would agree with the honourable Member that this system of transport is characterized by a lower energy cost. I would even support his general thrust by saying that a convoy carrying 12 000 tonnes with one crew aboard the motor unit carries the equivalent of 342 lorries of 35 tonnes. I would also point out that it is a non-polluting form of transport which does not cause any nuisance, and I would say that it contributes to relieving congestion on the roads. I have stressed its importance, and the interest of the Commission, but I have also said that it is not in the Commission's policy, particularly since the policy was renewed in 1973, and in the years since, to approve intervention by authorities to protect or artificially favour one mode against another. But I agree

with the first part of his supplementary question; it is a very low cost and low energy type of transport.

Mr Prescott. — Whilst recognizing the importance of the lower energy cost, can the Commissioner assure this House, as in the case of the assessment of the Yorkshire Canal in my area, that when giving aid, a full appraisal will be given of the total economic costs to the ports, the roads, the railways, before investment is made for these projects?

Mr Burke. — I can assure the honourable Member, firstly, that I intend in the very near future to see that area of the United Kingdom for myself, and secondly, that we take all these aspects into consideration when we look at the important new developments we are considering in transport infrastructure.

President. — Since their authors are not present, Question No 15 and Question No 16 will receive written replies.¹

I call Question No 17 by Mr Brown :

What studies were undertaken by the Commission to satisfy itself that it is safe to use polyurethane foam for furnishings in the Parliament buildings in Strasbourg and Luxembourg, what volume of polyurethane foam is contained in those buildings and is it satisfied with the safety precautions?

Mr Vredeling, Vice-President of the Commission. — (NL) I hope what I am about to say will have fewer consequences than what I have just said. The Commission has no responsibility for the European Parliament buildings in Luxembourg and Strasbourg. I am not therefore in a position to answer the honourable Member's question. Perhaps in the light of your responsibility, you, Mr President, could deal with this matter better than the Commission, since it concerns the building in which Parliament meets.

Mr Brown. — I am grateful to the Commissioner for his statement. May I put it to him that I think this is about the third occasion on which I have raised with the Commission the dangers of polyurethane foam? On each occasion I have been told that the Commission were taking note of what I said, and would make an investigation. The question that is on the order paper today was an indication to the Commission that they are already sitting on a time-bomb themselves. Therefore, whilst I appreciate that they have no responsibility for the time-bomb on which they are sitting, it does seem to me to bring home to them that it is about time they did examine the dangers of this particular material, and offer me some explanation as to what they intend to do about it.

Mr Vredeling. — (NL) Mr Brown has now put the question in a completely different way. I answered to

¹ See Annex.

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the question as it stood, namely whether it is safe to use polyurethane foams for furnishings in Parliament buildings in Strasbourg and Luxembourg?

I replied that the working conditions in these buildings were more a matter for Parliament itself which decides to meet where it feels it should meet.

However, as regards the heart of the matter, i.e. the second version of the question, I should like to point out, that as Mr Brown is aware, there is an entire programme devoted to environmental protection which naturally also covers polyurethane foam. We have an entire working programme for safety and health protection in places of work in general and, as part of this programme, we have listed a number of substances which represent direct and serious dangers to health, and this list includes the product raised here. I cannot immediately tell you what progress had been made in this investigation from my technical point of view but I shall nevertheless consult Mr Natali or the own departments as to whether or not this material is in fact regarded as being amongst those which, in our view, call for special safety measures in connection with safety and health protection at places of work.

President. — Question Time is closed.

As regards the decision which I had postponed until the end of Question Time, by virtue of the powers conferred upon the President of this House under Rule 47A of the Rules of Procedure, and given that a request has been tabled by Mr Spinelli on behalf of his group, that Mr Fellermaier has made a request that the time set aside for the topical debate should be reduced to half an hour, that opinions differ and that the agenda is particularly full, I have decided that no topical debate will be held.

If Mr Spinelli wishes to table an Oral Question as provided for in Rule 47 of the Rules of Procedure, I will see to it that it is included on the agenda for the next part-session. In this way it will be possible for the competent Commissioner to go into this question in greater detail.

(Applause)

I call Mr Fellermaier.

Mr Fellermaier.— *(D)* Mr President, by virtue of what you have said, I cannot maintain my request. However, I should like to take this opportunity — indeed I must — to make the following additional point.

If Mr Spinelli is prepared to provide the German Members with all the relevant documents, we will make use of our right to put questions to the Federal Minister of Finance on this incident, so that he can clarify the matter from the point of view of the German Parliament.

8. Votes

President. — The next item is the vote on the motions for resolutions contained in the reports on which the debate has closed.

We shall begin with the *motion for a resolution (Doc. 625/78) by Sir Geoffrey de Freitas and others: Anti-Semitism and neo-Nazism.*

I put the preamble to the vote.

The preamble is adopted.

On paragraph 1, I have Amendment No 2, tabled by Mr Bertrand on behalf of the Christian-Democratic Group (EPP), seeking to amend the paragraph as follows:

Considers it intolerable that war crimes and crimes committed not only during the Nazi reign of terror but also under any system of ideological totalitarianism should, insofar as it has not yet been possible to start judicial proceedings, remain unpunished on the entry into force of the statute of limitation;

What is Sir Geoffrey's position?

Sir Geoffrey de Freitas, rapporteur. — Mr President, I think the motion for a resolution before us is well balanced and clear, and the amendment would not improve it. I do not know what my colleagues in the political group will do, but I shall vote against this amendment.

President. — I put Amendment No 2 to the vote. Amendment No 2 is rejected.

I put paragraph 1 to the vote.

Paragraph 1 is adopted.

I put paragraph 2 to the vote.

Paragraph 2 is adopted.

On paragraph 3, Mr Soury has tabled Amendment No 1 seeking to add the following:

... and is particularly concerned at the possibility of the statute of limitation becoming effective in the Federal Republic of Germany on 31 December 1979 unless it is amended in the near future;

What is Sir Geoffrey's position?

Sir Geoffrey de Freitas, rapporteur. — As I said before, I think the resolution is clear and well balanced, and I do not think this amendment would improve it. I shall vote against it.

President. — I call Mr Soury.

Mr Soury. — *(F)* The meaning of the resolution is not in fact altered by this amendment. Consequently, we feel that the motion is satisfactory as it is, and we withdraw our amendment.

(Applause)

President. — I note that Amendment No 1 has been withdrawn and now put to the vote paragraph 3 in its original version.

Paragraph 3 is adopted.

I put paragraphs 4 and 5 to the vote.

Paragraphs 4 and 5 are adopted.

Before I put to the vote the motion for a resolution as a whole, Members may speak for an explanation of vote.

I call Mr Bertrand to speak on behalf of the Christian-Democratic Group (EPP).

Mr Bertrand. — (NL) Mr President, the Christian-Democratic Group intends to abstain from voting on this motion for a resolution for the simple reason that it displays a total lack of balance. War crimes have been committed not only during the Nazi reign of terror but also under other ideological régimes, for example under communist and fascist régimes. We oppose a statute of limitation on any kind of crime, whether it has been committed for political, economic, ideological or religious motives. Consequently, we condemn a statute of limitation for all war crimes. The present motion has been drafted in such a one-sided fashion, Mr President, that you might well conclude that the statute of limitation applies to wartime criminal offences which were not committed by the Nazi régime and that the perpetrators of such crimes could live in the Community without fear of prosecution. This situation is unacceptable to the Christian-Democrats.

(Applause from the right)

President. — I call Sir Geoffrey de Freitas.

Sir Geoffrey de Freitas. Well, it is the motion for a resolution as it stands. I shall be voting for it.

President. — I call Mr Fellermaier to speak on behalf of the Socialist Group.

Mr Fellermaier. — (D) Mr President, I wish to give the following explanation on behalf of the Socialist Group. We shall vote in favour of the motion because we are thoroughly convinced that the resolution of the Parliamentary Assembly of the Council of Europe, calling on the Member States of the Council — as we read in this motion — to ratify the 1974 European Convention on the non-applicability of statutory limitation to crimes against humanity and war crimes, deserves the support of this Parliament. The Socialist Group deeply regrets to hear that the Christian-Democratic Group does not support this initiative by the Parliamentary Assembly of the Council of Europe.

(Applause from the left)

President. — I call Mr Bordu.

Mr Bordu. — (F) I just want to say, Mr President, that this debate, inspired by the question which my

comrades and I tabled, has allowed us to concentrate our attention on an era which now goes back some 35 years and which we should like to see once and for all relegated to history.

I am pleased to see that even in Germany, among those involved, there are democrats ready to defend the right to compensation of the victims of this troubled period. I am also pleased that we have not lost sight of the main point, which was the non-applicability of statutory limitation in such cases, in spite of the opposition of certain people in this Chamber who, by abstaining, are only encouraging the neo-fascists to wallow in nostalgia. I am saying this, in fact, because the question is now topical both in the Council of Europe and in the *Bundestag* — which will have to come to a decision — as well as throughout Europe where 'Holocaust' is being shown to remind us of what things were like, and what must never happen again.

(Applause from the left)

President. — I call Mr Sieglerschmidt.

Mr Sieglerschmidt. — (D) I shall be voting for the motion, and for the particular reason that in paragraph 3 there is reference to all crimes against humanity, in accordance with the decision of the Parliamentary Assembly of the Council of Europe.

(Applause from the left)

President. — I call Mr Krieg to speak on behalf of the Group of European Progressive Democrats.

Mr Krieg. — (F) Mr President, the Group of European Progressive Democrats will naturally vote in favour of this motion. We are sorry that yesterday's unanimity has not been repeated in the House today.

President. — I call Mrs Kellett-Bowman.

Mrs Kellett-Bowman. — Mr President, I entirely agree with Mr Bertrand that there is a total lack of balance in this motion for a Resolution. But on the ground that half a loaf is better than no bread, I shall be voting for it.

President. — I call Mr Deschamps.

Mr Deschamps. — (F) Mr President, I shall abstain from voting, even though I agree 100 % with the essence of what this motion contains. However, I cannot endorse a motion tabled by a group whose principal allies, at the time when these crimes were being committed, for a long time supported the people who were committing them. I do not want there to be any misunderstanding on this point. I want my vote to be clear.

President. — I put to the vote the motion for a resolution as a whole. The resolution is adopted.

(Applause)

9. Communication on the social aspects of the iron and steel industry (resumption)

President. — The next item is the resumption of the debate on the Laurain report (Doc. 603/78) on the communication from the Commission to the Council on the social aspects of the iron and steel policy.

I call Mr Ryan to present the opinion of the Committee on Budgets.

Mr Ryan, draftsman of an opinion. — Mr President the Committee on Budgets is naturally, as all other Members of this Parliament are, very concerned about the crisis in the iron and steel industry. The difficulties encountered by this industry are obviously very serious and prolonged, and unfortunately no immediate improvement is in sight. Moreover there has, unfortunately, been a marked deterioration in recent months. The impact on the economy arising out of the crisis in the steel industry is grave, because the health or weakness of the steel industry is tied up with the overall state of the Community's economy. The repercussions on employment are far wider than the displaced workers in the steel sector, because ancillary industries are involved and whole regions are very seriously affected. Parliament's concern Mr President, over the problems of the steel industry is reflected in the debate, which have been held in the last four part-sessions and today we have before us the report by the Committee on Social Affairs, Employment and Education which is serving as a basis for a discussion on the social aspects of the iron and steel policy.

My task on behalf of the Committee on Budgets is to put forward some very pertinent observations on a financial aspect of the iron and steel policy. The committee endorses the views of the Committee on Social Affairs, Employment and Education, but I have been directed to suggest certain addenda to the motion for a resolution now before the House. Broadly, Mr President, I can explain that the Committee on Budgets wishes to ensure that a properly coordinated approach is adopted in the attempt to resolve this crisis in the iron and steel industry. Adequate means must be made available and these resources must be applied in an effective and harmonized way. Further, the view was expressed in the committee that the economic difficulties must be cured, if the social problems caused by the economic difficulties are to disappear. Attention should be called, I believe, Mr President, to the supplementary budget put through this House almost a year ago to provide, among other things, additional staff — in fact, 84 posts — to help monitor, coordinate and supervise the reorganization of the steel sectors.

Another relevant issue is Article 375 of the budget. In the 1978 budget Parliament inserted this article and

set aside 17 million EUA in appropriations to assist certain industries to reorganize and redeploy. Putting it very mildly it does not reflect well on the Commission that this money was not used at the end of the third quarter last year, and indeed as far as I know it may not have been used at all in 1978.

Last December, Mr Schreiber's report summarized the up-to-date situation of the ECSC, from the point of view of the Committee on Budgets, and analysed its financial requirements, and therefore I do not have to dwell too long upon this matter.

Mr President, I would ask Members to look at paragraph 17 of the Committee on Budgets opinion, which sets out the main conclusions of the committee. Point (a) is a truism and I shall not dwell upon it. Points (b) and (c), urging that there should be a coherent approach, are in line with the views expressed frequently by the Committees on Budgets in the past, and indeed accepted by Parliament. Financial policies are obviously best considered in an overall context. Attempts must be made to look and see where we are going. Multiannual estimates are a standard feature of the budgets procedure. In a key area such as the steel sector, comprehensive medium-term estimates showing the total effort involved — Member State, Community and European Investment Bank — are an essential tool of policy formation. The fourth point, point (d) is the Commission's slowness in regard to Article 375 of the budget that I mentioned earlier. I believe that the slowness on the part of the Commission is regrettable — indeed, it is intolerable. This article results from an amendment insisted on by Parliament but unfortunately not accepted by the Commission.

But, Mr President, when one contemplates the immense difficulty annually experienced and the amount of time annually involved in endeavouring to incorporate within budgetary limits the many heads of greatly desired expenditure, and the fact that some expenditures have to be foregone in order to accommodate those which Parliament considers to be a priority we cannot accept what I describe modestly, as the culpable failure of the Commission to expend the money that was voted to the Commission by Parliament for the purpose of steel policy.

Mr President, points (f) and (g) concern the importance of ensuring that the European Coal and Steel Community operational budgets gets the additional revenue it needs, and that this revenue comes in part from the handing-over by national governments of the revenue received by them on customs duties from coal and steel products. The revenue is estimated to amount to about 16 million EUA. I believe, and this is the view of the Committee on Budgets, it is indispensable to the improvement of the ECSC budget, and I consider it is deplorable that the Council of Ministers will not agree to applying to help the steel industry the customs duties which are collected from importations of coal and steel into the Community.

Ryan

Mr President, we need a comprehensive policy; we need to have a better assessment and presentation of the overall aid which has been given in the Community to the coal and steel industry. We are very disappointed indeed in Parliament that efforts that Parliament has made to achieve this objective have been obstructed in the Council of Ministers, and I also believe and, I must say with regret, also not helped by a certain tardiness on the part of the Commission.

Finally, Mr President, I want to make this point. We note in the report of the Committee on Social Affairs, Employment and Education that they recommend that priority should be given in the use of the funds in the Social Fund and the Regional Fund to meeting the cost of the necessary social measures in the iron and steel industry. For two reasons we wonder whether this is an appropriate suggestion. First of all, it is not permissible to give priority to any particular sector in the application of Regional Fund monies.

Secondly, Mr President, as it is recognized by Parliament that the funds are totally inadequate to meet existing objectives and to service existing needs, you obviously cannot give priority from available funds without harming the objects which already are being insufficiently financed. But, Mr President, I interpret the recommendation, by the Committee on Social Affairs, Employment and Education as a call for urgency. This we can agree, but it is very necessary that we should not obstruct existing inadequate funds in order to meet the need for urgency in the iron and steel sector. We cannot accept that there should be any delay in the application of additional funds. Naturally, the Committee on Budgets is very loath to recommend any supplementary budget on any occasion.

The Committee on Budgets, is very properly, against supplementary budgets. But if ever there was a need for a supplementary application of funds to meet an urgent need, that exists in relation to the iron and steel sector and accordingly I hope, Mr President, that the addenda which the Committee on Budgets is recommending to the motion by the Committee on Social Affairs, Employment and Education will be acceptable to the social affairs committee and to the house.

(Applause)

IN THE CHAIR : MR RUDOLF ADAMS

Vice-President

President. — I call Mr Albers to speak on behalf of the Socialist Group.

Mr Albers. — *(NL)* Mr President, the Laurain Report which we are debating today may be regarded as a necessary supplement to the Ansquer Report which we dealt with earlier. I should like to congratulate the

rapporteur most warmly on the way he has drawn up his report. It took four meetings of the Committee on Social Affairs, Employment and Education to get to this stage. This is a particularly difficult subject and our discussions on it were fairly laborious, but the point at issue was important enough to warrant our full attention, and I must say that I am most impressed by the way Mr Laurain carried out his duties. I should also like to congratulate the draftsman of the opinion of the Committee on Budgets, Mr Ryan, whose opinion is extremely valuable and provides an excellent complement to the motion for a resolution contained in the main report.

Of course we were disappointed to hear from the President-in-Office of the Council of Ministers this morning that this question has not yet been discussed by the Council. For some time now there has been talk of anti-crisis measures. I find this a rather unfortunate expression, but it is the one used in the steel industry. Very large sums of money are involved. However, it is noteworthy that the social aspects of the Community's iron and steel policy have been pushed completely into the background. In my opinion — and this goes for my group as well — the social aspects should be given priority and deserve consideration as quickly as possible. The situation is all the more alarming because on page 2 of the Commission document, we find the Commission advocating that the ECSC's resources for use in the social sector must be organized so that the ECSC's budgetary resources can be used increasingly on measures designed to help those workers affected by structural re-organization under the terms of the General Objectives for Steel. Well, so far so good, but this is really where we came in. These things take a long time, and we have spent the last 4 or 5 years talking about increasing unemployment and closures, and after all this time, a remark like this in a memorandum tends to sound just a trifle out of place. We must be on our guard; after all, Mr Davignon said that, to retain 700 000 jobs there will have to be redundancies, that there was no other way out. He went on to say that the losses we are having to sustain in this respect can only be made good by protectionist measures and by wholesale closures. What we need therefore are counter-measures in the form of making people redundant to protect the remaining 700 000 jobs. In the meantime the number of jobs in the steel industry have fallen by 60 000

Mr President, if we take a look at the opportunities offered by Article 56 of the ECSC Treaty, we see that there is indeed scope for adequate measures. Article 56 speaks of aid towards the payment of allowances to workers employed in works which have to cut back on production or have to close completely. It refers to vocational training and resettlement allowances, all of which measures can apply for up to three years. I fully agree with the Committee on Budgets that what we

Albers

need is a proper framework for the disbursement of the sums involved, setting out the alternatives and the sums of money available. The Committee's opinion mentions the 982 and 713 million EUA of loans granted in 1976 and 1977 respectively, the 197 million EUA lent by the European Investment Bank, the 252 million EUA in the form of conversion loans and the 27 million EUA made available for low-cost housing loans. An additional 31 million EUA were made available through the European Regional Development Fund, not to mention 81 million EUA for 'technical research' under Article 55 of the ECSC Treaty. That amounts to a lot of money, and it is rather difficult to discover what is allocated to what. It has been claimed that the amount of money made available for retraining has increased greatly over recent years to a total of 60 million EUA and that another 3 million EUA has been spent on occupational safety. The Committee on Budgets rightly asks what happened to the 17 million EUA which were included in the 1978 budget as a result of an amendment and which Parliament wanted to be used in helping to find alternative employment for workers affected by structural changes in the industry.

It is not entirely clear how all these elements fit together, but what has unfortunately become all too clear recently is that we are faced here with a dramatic situation affecting large numbers of workers. As a result whole areas and whole regions may be seriously affected, with equally serious effects on the quality of life in those parts.

Of course, we should not view the steel sector in isolation. The textile and shipbuilding industries are facing the same difficulties, as are other branches of industry. I should therefore like to ask that the Commission's strategy, which was communicated to and favourably received by the Tripartite Conference, is declared applicable to the steel industry in respect of the essential measures which are, of course, primarily and urgently required in that sector. The sectoral structural policy for the steel sector should therefore build on this strategy. I think the time has now come for action after all the years of talk.

In paragraph 5 of his motion for a resolution, Mr Laurant notes that both the ECSC Consultative Committee and the European Trade Union Confederation have indicated that if the struggle against unemployment is to bear fruit, urgent consideration should be given to lowering the retirement age, reorganizing shift work, introducing a shorter working week and restricting overtime. Perhaps you will recall, Mr President, inasmuch as you yourself have always been very interested in social policy, and that a couple of years ago we were talking about the very same things. We said at the time that these were the correct measures in the circumstances, and I am pleased that the Committee on Social Affairs, Employment and Educa-

tion has come out clearly in paragraph 6 of the motion for a resolution in favour of calling an immediate halt to all mass redundancies. But my group would like to see us really lay our cards on the table on this issue. We must make sure that our political statements and speeches show clearly what kind of measures we want to see implemented. What, for example, do we mean when we talk about lowering the age of retirement?

On behalf of my group, I have tabled an amendment spelling out the direction I think we should be working in. We could experiment by providing opportunities for a flexible retirement age from the age of 55 on. Of course we must never force people to give up work in a particular way or at a particular age, but I think this would be quite a sensible solution in certain cases, such as when a person's health has suffered and his mobility has been impaired by regular hard work over a long period of time.

And what exactly do we hope to achieve by talking about the reorganization of shift work? Quite simply, what we mean is that there must be an extra shift. I realize that, on this point, the situation varies from country to country. In the Netherlands we talk about a fifth shift, whereas in the United Kingdom the equivalent would be a fourth shift. But leaving these differences aside, why don't we simply press for the introduction of an extra shift which will lighten the work load, with a resultant improvement in working conditions?

And on the question of the introduction of a shorter working week, is it really so wrong to say that the two sides of industry should now give consideration — the trade unions are already doing so quite seriously to reducing the working week gradually to 35 hours? Any such move must go hand-in-hand with measures to restrict overtime. Let us be quite clear about the fact that overtime is often the means of earning just that little bit more that saves people from going short. That is why my amendment urges the adoption of adequate measures to get rid of overtime — in other words, we must also bear the incomes in mind.

These, then are the amendments the Socialist Group wishes to see in this motion for resolution, and we very much hope that we shall receive the support of this House because we believe that it is now high time that the talking stopped and we all showed where we stand with regard to these measures.

It goes without saying that we are not trying to usurp the role of employers or the trade unions. We regard our initiative as moral support in the search for solutions. The enormous sums of money I referred to earlier show that it is possible to provide support for specific measures in this field. The same also applies to our call for an end to mass dismissals. Any such move is bound to meet with an immediate reaction.

Albers

Firms which are forced to keep people on the payroll when there is no work for those people to do, have to close down, and that is bound to have an adverse effect on the employment situation. That is not what we are aiming at.

Our aim is to ensure that, if there is a danger of large numbers of people being made redundant as a result of structural reorganization because there is not enough work for them to do in a particular factory or a particular branch of industry, these people should not simply be thrown out onto the street and forced to trudge down to their local labour exchange to see if there is any other work for them to do, which is a difficult situation, particularly for older people. These people must be helped by means of a foundation, funded by unemployment contributions supplemented by government subsidies. Attempts must be made to find these people new jobs in their own branch of industry or in related industries. It goes without saying that we must try to use the millions of units of account that are available to innovate and thus to create new jobs in the affected branches of industry. We feel that special attention should be given here to small and medium-sized undertakings. Mr President, to back up the views we have put to this House, my group felt obliged to table a second amendment to the paragraph in the original motion for a resolution which says that the measures are inadequate. We feel — and we want to make this point as forcefully as possible — that the measures for the structural reorganization of the steel industry as presented so far, fail to take sufficient account of the social aspects and are therefore not only inadequate but unacceptable. I hope that this House will agree and support my amendment.

(Applause)

President. — I call Mr Santer to speak on behalf of the Christian-Democratic Group.

Mr Santer. — *(F)* Mr President, several times in recent months this Parliament has turned its attention to the unfavourable economic situation and to the structural crisis in the iron and steel industry.

This demonstrates the importance which we attach to the difficulties affecting this sector, which are of such magnitude both economically and socially that we cannot remain indifferent. Our rapporteur, Mr Laurain, rightly stressed the importance of this sector for the regions concerned. I, for my part, would like to draw attention to the fact that the iron and steel crisis is affecting in particular those regions which to some extent provided the initial impetus for the European Economic Community and which, until recently, were a key sector of Community activity.

In our resolution of 16 January last we referred in this forum to the numerous facets of the iron and steel

crisis. We emphasized in particular that the restructuring of the iron and steel industry would be impossible and intolerable unless associated regional and social measures were implemented at the same time, especially with regard to employment. We added: 'The Community cannot ignore the social and regional consequences of restructuring in the iron and steel industry without disqualifying itself in the eyes of public opinion.'

It is therefore a matter for some satisfaction that we have before us today a report on the social aspects of the iron and steel policy, the aim being to improve and further adapt the ECSC's instruments for social intervention.

Our rapporteur examined in detail the measures which come under the heading of these social aspects. Firstly there is provision for readaptation aids comprising a tide over allowance, financing of vocational retraining for workers obliged to change their job and payment of resettlement allowances to facilitate geographical mobility. Secondly, there will be aid in the sphere of safety, hygiene and health protection at work, and, finally, the implementation of certain new social measures in connection with restructuring.

I will not go into these. I will make merely a few remarks which, in the view of the Christian-Democratic Group, merit special attention.

Firstly, it should be pointed out that it is not sufficient to restructure and modernize the iron and steel industry itself. Such measures are undoubtedly indispensable to make this sector competitive at international level, as in fact Mr Laurain pointed out, but the social problem (that of employment) can only be resolved if in addition to modernization of the industry, new jobs are created in the regions concerned. The fact is that, however necessary they may be, the ECSC's various intervention measures and the improvements and innovations that could be made, themselves create no, or very few jobs.

Consequently we must urge the Commission and the Council to implement a genuine Community industrial policy, based on the development of small and medium sized undertakings, sub-contracting and the services sector, as well as on the high technology sectors, since such redeployment is the corollary of the restructuring of sectors in decline. To this end we would like to stress in the actual text of the resolution — and this is the purpose of the amendment which we have presented — that the Commission's industrial programme which received the support of Parliament, of the Council and of the ECSC Consultative Committee, must help to provide secure and well paid employment in the steel industry, on the one hand by restructuring production capacities and on the other by achieving real Community agreement between employers and workers of iron and steel undertakings

Santer

and authorities in the surrounding areas as to the numbers of jobs to be lost.

My second remark bears on certain considerations raised by the Commission itself in its communication to the Council and which concern the other possibilities available under the ECSC Treaty. This communication states: 'Lastly, an effort should be made to ensure that social innovations, such as certain forms of work sharing, should be made compatible at Community level. In this connection, the following measures potentially eligible for ECSC financial assistance should be examined: lowering of the retirement age, restructuring of shift or team work, organization of a shorter working week, restrictions on overtime.' Both the ECSC Consultative Committee and the European Trade Union Confederation agreed that these measures call for urgent study. In any event they should be discussed and negotiated in the context of collective labour agreements; in this connection we should point out to the governments and the Commission that it is the responsibility of both sides of industry freely to negotiate collective agreements on wages, working conditions and working hours. In view of the large-scale redundancies and loss of jobs, collective agreements should stipulate — and this point was also quite rightly raised by the rapporteur — that there should be no redundancies unless there is a possibility of equivalent re-employment for the workers concerned.

My third remark concerns a very fundamental point, namely the financial resources available to the Commission to implement these social measures. The Christian Democratic Group very much regrets the Council's decision, on 6 February last, to limit the ECSC's supplementary budget for 1979 to 28 million units of account, and this in spite of the fact that the governments had, on 19 December 1978, unanimously approved all the aspects of the iron and steel policy, including the social aspect.

You will agree that this is a very serious situation. I would even say that it is a situation which we, the Members of Parliament who are concerned about the fate of the workers in question, cannot tolerate. We know that the Commission requested 60 million ua for 1979, since in that year and in 1980 the greatest number of jobs will be lost meaning that supplementary funds will be necessary. In fact the jobs to be lost in the iron and steel industry in 1980 are put at between 60 000 and 80 000. In spite of this the Council has only granted the same amount as for 1978!

Mr President, we can only add our voice to the Commission's severe criticisms, made by Mr Davignon, of this decision of the Member States to limit the appropriations requested for the 1979 ECSC budget. This decision, I repeat, creates an intolerable situation. The Commission cannot under any circumstances let the Member States prevent it from carrying

out the associated social policy which has always been regarded as an essential element of the restructuring policy. In view of the events which are taking place at present the Commission will have to make the Member States face up to their responsibilities. In any event the Christian Democratic Group requests the Commission to present a new request to the Council for supplementary financial resources for the ECSC, without any increase in the ECSC levy, so as to deal with the social, regional and industrial consequences of the iron and steel policy. We even consider, Mr President, that this decision which was taken on 6 February, therefore after the report had been adopted by the Committee on Social Affairs, Employment and Education on 31 January, is so serious that we suggest to the rapporteur that it would perhaps have been advisable to review this whole question in committee, so as to reach a firm conclusion on the line we should take in this matter.

These, Mr President, are the few remarks which I wished to make concerning Mr Laurain's excellent report.

This debate is taking place on the eve of a vast concerted action on the part of the trade unions and worker groups of the three frontiers'.

Therefore, as the June direct elections approach, our Parliament must be sensitive to the suffering and aspirations of the citizens and draw closer to the persons and the peoples of Europe who will shortly be conferring upon it its democratic powers.

(Applause)

President. I call Mrs Kellett-Bowman to speak on behalf of the European Conservative Group.

Mrs Kellett-Bowman. — Mr President, my group supports the aim behind this communication from the Commission to the Council on the social aspects of the iron and steel policy of the Community and will indeed be voting for it. But we have reservations on some of the methods by which the communication and the committee seek to achieve this, and the practical results these would have.

For example, paragraph 5 as it stands suggests the lowering of the retirement age, but one of the problems we face in the Community in general is a shortage of skilled people in industry. It is one of the paradoxes of the present situation that an appalling unemployment situation goes hand-in-hand with a shortage of skilled workers. Therefore if there were to be an overall reduction in the age of retirement we may well find that far from improving the employment situation, we would create bottlenecks thereby making it worse. I therefore support Amendment No 2 revised by Mr Albers for a flexible retirement age. But this seems to me to be incompatible with the original paragraph 5 which asks simply for a lowering of the retirement age.

Kellett-Bowman

I am, however, very much concerned about the question of shift-work and night-work. DG-V has plans to restrict night-work which in the iron and steel industry would be totally impracticable. Our iron and steel industry is in a very serious situation, and in the interests of all those engaged in it in the future, it is essential not to do anything to make it less competitive on the world stage.

Paragraph 6 says that there must be an immediate halt to all redundancies but this could present a serious problem, for example, to the British iron and steel industry where restructuring is already in progress in order to save that industry from annihilation. It is with this in mind that we strongly support paragraph 7 of the motion calling for help from the Social Fund and the European Development Fund to meet the cost of the necessary social measures. We are also determined that Article 55 of the ECSC Treaty promoting technical and economic research into the production and increased use of coal and steel, and a promotion of occupational safety should be used to the full. It is true that the anti-crisis plan approved by the Council must be backed up by a policy of industrial diversification to create more jobs in the iron and steel areas, but the fact, nevertheless, remains that the anti-crisis plan did at least give us a breathing space without which the whole industry might well have collapsed.

But I would suggest that paragraph 8 really goes to the heart of the matter. The human tragedy of the iron and steel and shipbuilding industry is that not only are they concentrated in certain areas but these areas are themselves the most severely affected by the current prolonged recession and all too frequently are close to areas affected by the textile recession which aggravates the overall human problem. It is therefore vital to give special attention to the areas of the Community where iron and steel is the predominant industry. In these areas, if employment prospects are not to become even bleaker, it is essential that where modernization and restructuring are undertaken, help should be given to establish processing industries related to iron and steel in these areas, to create new jobs, both for those immediately affected and also to stem the outflow of young people from the industry and from such areas, for example, as Cumbria and Lancashire where they are suffering a constant drain of the younger element.

But in industrial countries it is wrong to think only in terms of contraction of output. We must also be more positive. We must turn our most urgent attention to ways of actually increasing demand. In the developing countries and, indeed, within the Community itself, many worthwhile projects are being held up which would require huge tonnages of steel if there was sufficient investment confidence. The Burke plan to improve our transport infrastructure provides several

examples. In energy, diversification programmes contain several more. We must not leave it to the Chinese to show the confidence necessary to re-establish demand for steel for major industrial developments. We must have the necessary belief in ourselves to make full use of our own resources for the creation of wealth, and it is up to the governments of the Member States to encourage initiative and create the climate in which expansion can take place. If they do so, Mr President, in 5 years time we could, and should, be discussing not the crisis in the iron and steel industry but its triumphant recovery.

(Applause)

President. — I call Mr Ansart.

Mr Ansart. — Mr President, while we have embarked on an era of ever greater scientific and technological discoveries, some of which are indeed marvellous, we are at the same time witnessing the return of unemployment, that destroyer of which constitutes a real threat to human dignity. Moreover, it would appear that the Community is ready to accept the idea that unemployment will henceforth be lasting and widespread — a sad travelling companion of modern capitalist society, which is prey to a crisis it cannot control. The miners and steelworkers, and also the regions in which these industries are situated, have already paid dearly for the policy of the European Coal and Steel Community, which was the first step towards running down our mines and our steel industry.

Today entire regions are slipping into decay. The steel and mining areas are experiencing massive unemployment, with a lack of jobs for women, which means a low standard of living for the people there, while in addition we have large-scale transfers of workers, the scrapping of machinery and the closure of factories which would still be highly competitive if only they received the finance necessary for modernization, as for instance in Thionville, Longwy, Denain, Trith-Saint-Léger and Boulogne. Regions which were flourishing not so long ago today face a bleak future: it is their survival as major industrial areas which is now at stake. They are victims of measures taken with unbelievable brutality.

My comrade Mr Porcu, whose constituency is in Eastern France, and I are particularly affected by these problems. We are faced with a situation of sometimes tragic proportions. We know the unbearable distress suffered by tens of thousands of families of workers, technicians and managers stricken by the sudden announcement, made without consulting trade union organizations or the elected representatives at regional or national level, of the loss of thousands of jobs in the steel industry, to which must be added tens of thousands of other jobs in dependent sectors.

Ansart

The 'Davignon Plan' which is in fact no more than the brainchild of big business, was decided by the Eurofer cartel, which has been reestablished in spite of the prohibitions, in spite of the Treaty of Rome. No account is taken in this plan of either national or our regional interests. It is an anti-democratic and anti-social plan and one which we reject. The pernicious thing about it, in our view, is not that it does not provide for sufficiently extensive social measures, as Mr Laurain's report suggests. This plan reorganizes the steel industry on a trans-frontier basis for the typically capitalistic goals of profit-making and immediate profitability, while ARBED, the Luxembourg-based trust which has swallowed up the Saar steel industry, reaps the benefits. The big French shareholders in this firm and the West German Thyssen trust are a serious threat to our national sovereignty and our independence.

For a great industrial nation such as France, this 'Davignon Plan' provides for a steel industry on a reduced scale for many years to come. This is a plan to destroy, wreck and mutilate which can bring only desolation. The whole population of Lorraine and the North of France, backed by the whole country, all the labour unions, the trade associations, the chambers of commerce, the doctors' organizations and all the deputies are opposed to the measures planned in Lorraine, in the North and in many other regions. Seven hundred out of 722 Usinor engineers have asked the Government not to accept the decisions taken regarding Lorraine and the North. It is no use invoking competitiveness, or hiding behind the pretext of production requirements. The economic and social cost of these closures would be ten times greater than that of the measures which my group proposes to keep in operation the large factories which are supposed to be doomed.

Nobody has ever calculated the cost in economic terms, in human terms, in terms of the unprecedented chaos, of the death of a region. In this case of the steel industry, what is involved is the future of the whole population of entire regions, the future of a great national industry which should, in our view be nationalized. This is a question, therefore, of France's national independence, and so we demand that this plan should be discussed in our national parliament, with regard to a French plan for steel.

The fate of the French steel industry must be discussed in Paris and nowhere else. For this reason we shall not vote for Mr Laurain's report, since in our view it just remodels the 'Davignon Plan', tries to make it more acceptable to those who are its victims, but does not reject it unequivocally as the trade union organizations and workers in our regions unanimously demand. One has to be for or against this plan because its very nature, its content and its authorship preclude any modifications. No, we are not in favour

of making redundancies, the closure of factories, the death of our regions, more humane. We are absolutely and unequivocally opposed to both solutions. Of course, we regard social measures as very necessary, and it is significant that it takes dramatic events such as these finally to provoke discussion of social measures which we have been advocating for so long.

The Communist deputies in the French Assembly therefore demand that the motion they have tabled, No 56/643, should be put to the vote. This motion clearly indicates the wishes of the steelworkers, who demand the cancellation of redundancies, are firmly opposed to the winding-up of a substantial portion of a major French industry and advocate a policy of boosting industrial activity and national consumption. Moreover, the workers demand that their arduous working conditions in the steel industry should be improved and given a human face, that the retirement age be reduced to 55 and the working week cut to 35 hours without any loss of earnings, and above all they are calling for the creation of the 'fifth shift' which we have been demanding for years so that, finally, workers bound to the hard timetables of shift work can enjoy living and working conditions which are worthy of modern society.

(Applause)

President. — I call Mr Cot.

Mr Cot. — *(F)* Mr President, Mr Davignon is not exactly popular in the crisis-ridden areas of France. He has made a name for himself, but not, I would say, a particularly enviable one. As for Mr Vredeling, his name is unfortunately still unknown. And I believe that this in fact is where the problem lies. In France today — Mr Ansart referred to this earlier — there are demonstrators marching to cries of 'No to Euro-unemployment'. In my country the crisis is reflected in a dangerous and disquieting rise in nationalism, encouraged by certain political parties. Those who, like us, are determined to oppose this trend with all their strength — because one may know how nationalism begins but one never knows how it ends — must heed this cry of distress. The fact is, Mr Vredeling, that the European institutions have a responsibility in this affair. However, they certainly do not bear the principal responsibility and to blame everything on the poor Davignon Plan is to find a convenient scapegoat which we, for our part, reject.

The main responsibility can be placed, firstly, at the door of the crisis of world capitalism which is unable to find an answer to today's problems — I will return to this later. Then, where my own country is concerned, there is the scandalous attitude of French employers, who have behaved totally irresponsibly and who have been encouraged by what I do not hesitate to call the complicity of successive governments. That being said, the Davignon Plan is like the fireman who

Cot

arrives after the fire has already destroyed a large part of the house. And this Davignon Plan, where its social aspects are concerned, Mr Commissioner, is a plan which is both tragically inadequate and desperately necessary.

These social aspects, since this is the subject of our debate, are necessary for obvious human reasons. You only have to travel through these crisis-ridden regions of the North, of Lorraine, or even through the Savoy valley which I represent in my national parliament. Desperate, because, in this matter, the social aspects are all that is left, in that in many cases there is no longer any possibility of substitute industries. However, these social aspects are necessary also for economic reasons because the present economic system of itself provides no answer to the problem. Thus the problem largely becomes that of the allocation of working and leisure time, of the redistribution of power and resources. And it is from this point of view that the principal demands made by the trade unions, contained in the report of my comrade from Lorraine, namely lowering of the retirement age, the 35-hour week, the fifth shift, the cutting down of overtime, are not just a form of temporary social relief, but a fundamental element of the economic response to the present crisis.

However, in this affair, there is both a problem of competence and a problem of resources. The problem of competence consists in knowing who is responsible for discussing the issue. When our French trade unionists go to see Mr Boulin, the Minister for Labour, he replies: 'A 35-hour week, lowering of the retirement age, cannot be considered solely at French level, as this would weaken our competitive position vis-à-vis our Belgian, German, British, Italian partners.' But, Mr Vredeling, when the same trade unionists go to see you and Mr Davignon, is there not a danger of your replying: 'I am sorry, but no provision is made for such measures under the ECSC Treaty'. In effect, what I want to ask you, and I hope you will give me the clarification and the reply which I consider indispensable, is to confirm that such measures are possible under Article 56 of the ECSC Treaty, that Article 56 does in fact allow you to take an initiative at European level to meet these basic demands so that worker solidarity at European level will have a possibility of dialogue at that level, without which we risk going round in circles, passing the buck to each other — and if one keeps doing that it is the workers who will suffer.

The second difficulty is the problem of resources and in this respect, Mr Commissioner, I am sorry that the Council is not present. This morning the President-in-Office of the Council said that social aspects were essential, fundamental, but at the same time, as we know, the Council reduced — to 28 million if I remember rightly — the exceptional appropriation of

60 million units of account requested to implement these social aspects. On that point also I would have liked an explanation from the President of the Council. But perhaps in his absence you can throw some light on what I would here frankly call the Council's double-talk, because without funds the social aspects risk being no more than empty words.

To conclude, Mr President, I will say that faced with the extent of the crisis, the Community cannot be content with half measures. The Davignon Plan is both too much and not enough. We know very well that in the current state of affairs either the Community must have the political will to take much more advanced measures in the face of the iron and steel crisis — but does it have this political will? — or, if not, solutions will necessarily be found at national level, in other words by the introduction of national safeguard measures, with the chain reactions that implies. This is something we do not want but which the Member States will be forced into if there is no response from the Community.

Mr Vredeling, I would not like you to suffer the same misfortune as Buridan's ass, which, unable to choose between the spring on the right and that on the left, ended up by dying of thirst.

(Applause)

President. — I call Mr. Pistillo.

Mr Pistillo. — *(I)* Mr President, ladies and gentlemen, the Laurain Report draws our attention once more to the crisis in the Community iron and steel sector. Indeed, it is not the first time that we have concerned ourselves with this difficult sector, and it will certainly not be the last.

All the data available to us on the iron and steel industry in the Community point up the seriousness of the situation, the disturbing prospects for production and employment, and the strong competition to which this sector is subject and which represents one of the more important factors in the crisis itself.

Although the iron and steel industry has been much discussed, particularly in the last three years, we are not surprised that the situation still remains very serious. The reason, in our view, is that the measures announced from time to time by the Council and the Commission have never tackled the problem in its entirety and with the necessary foresight; instead of considering the outlook with the necessary vision, these have been principally aimed at supporting some of the workers hit by unemployment in this difficult sector, and focused on specific reconversions which were bound to provoke further and more extensive unemployment in the sector. To reiterate what we have already said on other occasions — and let us be explicit about this — what has so far been lacking is, in our view, a planning policy. Mr Laurain referred in

Pistillo

his report to the need for consultation between the two sides, as mentioned in Mr Müller-Hermann's motion for a resolution, but in our view this is a different matter.

There is a need for a planning policy at Community level which would take account not only of some necessary — indeed inevitable — reconversions but also of investment and development initiatives, and of new relationships with the countries of the Third World — the true focus for the recovery of the iron and steel sector, as, more generally, for the recovery of the European economy. Otherwise, Mr President, Commissioner, ladies and gentlemen, in our view everything will be left to individual and private enterprise, and such enterprise can only be directed, as it has always been, to the quest for maximum profit and thus leads inevitably to a purely deflationary policy.

Article 2 of the ECSC Treaty, which has been referred to several times, stipulates — and I quote — that 'The European Coal and Steel Community shall have as its task to contribute... to economic expansion, growth of employment and a rising standard of living in the Member States.' Such is the task of the Community. In our view scant respect is paid to this Article in practice, apart from all the declarations, plans and programmes which have been recalled here, because action has been taken to some extent on the effects of the crisis, on the more obvious aspects, on the final results and not on the causes; moreover, such action lacks coordination, especially with regard to an investment and development policy.

I freely admit at the outset — since none of us has the right to indulge in facile demagoguery at the expense of the workers affected — that to do what we propose is in practice very difficult, very complex, and that it is not something which can be achieved in a few days or even months.

But in our view there are no other worthwhile courses of action open to us. In general, we Italian Communists agree with many of the proposals contained in the Laurain report, particularly the proposal for a moratorium on dismissals in the iron and steel sector, a plan for aids which is better adapted to the situation, and the convergence of the policies of the Member States, which is certainly the primary requirement — which we have stressed — for planned action at Community level.

Mr President, on two points we should like to raise some objections and explain points of concern and our reservation.

The first point relates to the problem of working hours and organization of work. In our view clear ideas on this are required; it is now well known that the reduction of working hours does not of itself

create new jobs. In this context we were struck by the important results of the large-scale strike by the German iron and steel workers. Unfortunately, however, they did not succeed in reducing working hours. The question cannot be resolved separately, by dealing with this problem in individual countries, but — as we have said on several occasions — a Community agreement and an understanding between the trade unions and the employers are required. It is obvious that we Communists are not opposed to this demand for reduction of working hours, but these demands must not only be examined sector by sector, but also be seen in an overall context. Moreover, to press exclusively or almost exclusively for the reduction of working hours means dwelling on the present employment situation and seeing it in a static rather than a dynamic way. On the contrary, the problem of working hours must be examined together with that of investments, of the choices to be made, and of economic development, if we do not wish merely to divide up the existing work, which is daily decreasing, but wish rather to promote an increase in available work throughout the European Community. Hence the need for a planning policy.

And now the second point, with which I shall conclude: it seems to us that the provisions in the iron and steel sector must hinge essentially on aids from the ECSC funds; it does not seem right to us to use the Social Fund and Regional Fund for sectoral aids, however important. Here we really touch on a more general problem of the means available to the Community, but this is a wider subject which, for the sake of brevity, I shall avoid tackling, Mr President.

In conclusion, I want to say that we Italian Communists regard the Laurain report as a basis for discussion containing positive elements, even if in our view it is inadequate to deal with the serious problem facing us.

(Applause)

President. — I call Mr Caro.

Mr Caro. — *(F)* Mr President, this debate is concerned particularly with a part of my country, and I should like to begin by congratulating our rapporteur, Mr Laurain. I think he has set out the various aspects of the work to be done in the social sphere extremely objectively. Clearly, the problems we are faced with here are of a technical, political and human nature. The human problem seems well nigh insuperable. The population of this region is faced with an agonizing situation in which, in addition to the 13 200 jobs which were to be scrapped under the first Plan for Steel, another 16 000 redundancies have just been announced, to take effect between now and 1981. This is a major cause for concern at both national and European levels.

Caro

As you know, the magnitude of this problem is partly due to the fact that Lorraine has traditionally been dominated by the iron and steel industry, with no alternative employment available, so that the run down in this industry is a major blow to the future of the region, and the Members of Parliament from Lorraine — whatever their political affiliations — are now confronted with this problem and are turning to the French Government and to the Community to ask them to do whatever they can to alleviate the situation. The technical problem is that the French Government is now faced with a responsibility which far exceeds the scale of projects it is used to planning and putting into practice. The sheer size of the structural reorganization which will be needed here is unprecedented. After an initial phase of euphoria followed by inadequate research, the job will probably be tackled by way of a major surgical operation on an already badly beaten organism. Was there any alternative open to us? Only the future will tell.

Be that as it may, courage and clear-headedness are undoubtedly the hallmarks of the operation now being carried out by Prime Minister Barre and his Government, bearing in mind the enormous technical and social risks involved in this attempt to deal with the human problem of the workers and their families. The latest in a series of meetings arranged at the Ministry for Social Affairs by Mr Boulin showed that, in the face of unavoidable and technically preconcerted measures, the two sides of industry and governments, far from going in for demagogical politicking, have worked hard to a means of evaluating the social measures so as to save whatever jobs can still be saved in the steel industry, and otherwise to guarantee jobs and a certain standard of living and purchasing power.

The responsibilities are enormous and the tasks awaiting us immense, and the eyes of thousands of workers are now on the European Community. I realize that the Commission is also faced with a difficult task in the short term. In the context of an economic and social crisis, I would regard the social aid and retraining measures provided for by the Community as nothing more than chickenfeed, based on the kind of money the Commission is used to disbursing. The situation presents both the Commission and the French Government with a political problem. As Mr Cot said a little earlier, what is needed is political will, and I think that over and above the range of technical measures at our disposal, the Commission — with the unanimous support of this House — should take the necessary steps to ensure that available resources are mobilized to come to the aid of this stricken region. If we succeed in providing support for the people of that area, along with full employment and the right to work, it will be a source of encouragement to those who are now fighting for the preservation of jobs and the very survival of their region.

I would say that, in addition to these technical and human aspects, there is also the problem of the professional pride of individuals and, indeed, the whole region, aware of the historic role they have played in the development of one of the most prosperous industrial sectors in our country. To ask a group of workers who have spent their whole lives — man and boy — in the industry to give up any hope of carrying on working in that industry requires information, persuasion and, to put it in a nutshell, immediate action. I know that the motion for a resolution tabled by our committee will provoke arguments of a technical nature, such as whether we should have no recourse at all to funds like the Social Fund or the Regional Fund, and instead rely exclusively on loans provided by the ECSC. I shall of course listen to all the arguments, both for and against, advanced by people whose technical knowledge is undoubtedly superior to mine. But when I said just now that what was needed was a political operation designed to restore confidence to a disaster-stricken region, I meant that the Community as a whole — no matter what the budget headings the loans may come under — should coordinate its efforts with those of the French Government and the trade union and employers' organizations which are currently working shoulder to shoulder to find a way out of this impasse.

I have taken the liberty of introducing this element into the debate, because I am sure that Mr Vredeling will echo what I have been saying. Let me repeat that the problems are not merely technical but have a human dimension too. We have already done a good job in showing our solidarity; we now need to show that we are ready to take action. I am sure we all realize that, when it comes to direct elections on 10 June, the usefulness of Europe and of the Community will be judged on issues like this.

(Applause)

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — *(NL)* Mr President, I should like to begin by expressing my appreciation of the fact that Mr Laurain's report has allowed us to hold this debate on the social aspects of the steel crisis at a most appropriate time. I am also pleased to note that, contrary to the rumours which I heard on my arrival in Luxembourg, Parliament intends to see this debate through to the end and not to stop halfway. Had it done so, Parliament's opinion would most probably have arrived too late. I am pleased, therefore, that Parliament now intends to give its opinion on the basis of Mr Laurain's report, on which I should like to compliment him since it gives a central place in the steel industry's problems to the social and economic aspects, and highlights the correct priorities.

Vredeling

May I kick off by saying, Mr President, that the social aspects of the steel crisis and the solutions offered by the Commission most certainly represent an integral part of the Commission's plan for the structural reorganization of the steel industry. I have heard some criticism of the so-called Davignon Plan here. This designation is inaccurate. Certainly, Mr Davignon's responsibilities include the industrial side of the steel problem, but this is a Commission plan, Mr Laurain. It is a Commission plan, the responsibility for which lies just as much with a Commissioner who is politically rather closer to you, Mr Cheysson, as with Mr Davignon and myself. The Commission is a collective organ, and we bear a collective responsibility. The Davignon Plan is a plan of the European Commission. There must be no misunderstanding about this because — and I shall return to this later — there seems to be a certain tendency to blame all the difficulties on one of my colleagues, perfectly capable though he may be of standing up for himself. But I wish to stress that what we are proposing in respect of the steel industry is the result of our joint consultations in the Commission. I am giving away no secrets when I tell you that I occasionally object quite strongly to things said by one or other of my colleagues in the Commission, because it is my job to put the social case. What comes out of the Commission is based on joint consultation and the Commission as a whole accepts responsibility for it.

The reason I am emphasizing this so strongly is that it follows that the Commission is responsible for the fact that the social chapter is an integral part of our steel policy as a whole, and not a mere appendage or afterthought. Right from the start, in accordance with Article 56 of the Treaty, the Commission has had powers in this respect which it has no need to solicit from the Council or any where else. It has these powers, it exercises them, and the social chapter of the report submitted to you presents the main lines of the measures for which the Commission is responsible and which it is currently working out in collaboration with the trade unions, employers and, where necessary, also with the governments.

Clearly, we must look at these matters in the light of the need to restructure the steel industry. It is therefore not fair to claim that this is something dreamed up by Mr Davignon or by the European Commission. Structural reorganization is important in every steel-producing country. Everywhere there is a steel industry of any size, in Britain, Germany, the Saar, Belgium, France, the Netherlands, restructuring is being carried out on the basis of national plans. Our fundamental argument is that this is incorrect. Structural reorganization must be tackled at a European level, with due account being taken of regional interests. It really is not true that there are problems only in Lorraine. I once had to speak in the Saar region,

where some villages have a 10 % unemployment rate. In some British regions the situation is not much better. Lorraine is currently in the public eye because of discussions taking place in France on an agreement between the trade unions and the French Government. A lot of publicity is being given to that at the moment, but we must naturally not forget that this is a general problem, which is not limited to one region of our Community. I wish to stress this matter of restructuring because we point out very clearly in our proposals of social policy the connection between the need to rationalize the steel industry on the one hand, and the new measures which we have announced in the social sector on the other. We are fully aware that the new measures we are working out must accord with the national plans, but we maintain also that the national restructuring plans must fit into the European coordination scheme. We see the application of these new measures as conditional on this.

Of course, the funds necessary must be geared to the consequences of the restructuring, and we must remember that a number of temporary measures will be required in a transitional stage, or as Mrs Kellett-Bowman put it, to give us a breathing space; such measures will depend on the way in which we tackle the restructuring. Other measures will be of a more durable character and I shall deal with this point more fully when I come to discuss the measures in greater detail.

Naturally some of our proposals are aimed not merely at combating unemployment as such but also at countering the side effects. Mr Laurain rightly mentioned this. In general social terms, some very favourable side effects may certainly be expected, for instance the introduction of a fifth shift, increased safety at work, less hectic working conditions and better compatibility with normal social life, less absenteeism, less turnover of staff and more attractive working conditions for the people that this industry needs to attract.

So there are these positive elements as well. These are thus not merely emergency measures, but actions which can have very valuable social effects. Following the publication of our report last year, which is now one of the subjects of this debate in Parliament, we are now turning our attention to the situation currently existing in the various Member States. On 30 April the agreement between the French Government and trade unions on measures in the labour relations sector comes to an end. For this reason I wrote to the French Minister of Social Affairs, 'le ministre du travail et de la participation', as he is officially known, at the beginning of February. In my letter I promised him our support in principle for the measures it is planned to take. I invited him to consult with me on the ways in which we in the Community can give this promise practical form.

Vredeling

I have mentioned already that the possibilities which we listed in our document last year are all feasible, such as the flexible reduction in the age of retirement, as Mrs Kellett-Bowman put it, and the modification of shift work since, as Mr Albers rightly pointed out, this is not merely a question of a fifth shift. In some Member States the system is different.

There it will be a fourth shift, since the system involves what the Germans call 'Freischichten'. So the situation is different in those countries. We have thus to adapt to the situation in each Member State. It may also be possible to reduce systematic overtime. These are all matters which we proposed last year in our document via the Consultative Committee, which as Mr Laurain has rightly remarked expressed a favourable opinion. This committee consists of representatives of both sides of industry. In this regard this ECSC committee works a great deal more satisfactorily than the larger bodies, such as the Tripartite Conference, where it is much more difficult to reach agreement. The ECSC Consultative Committee has expressed the hope that the Commission will trash out in greater detail the measures which we indicated in broad outline.

In our letter to the French minister, Mr Boulin, we stated that the Commission had already decided its attitude with respect to the structural reorganization of the steel industry, in terms of the social chapter which must form an integral part of it I hope therefore that we shall be able, with the help of Parliament's opinion, to send a more detailed memorandum on these matters to the Council at the end of March, so that the Council can deliberate further on them if it so wishes.

We should like to see a greater unity than at present in these agreements between the Commission and the individual governments, not only with France but also with Luxembourg, Belgium, the Netherlands and in principle with all the Member States. At the moment the various agreements emerge one by one, and there is little cohesion between them. They are incidental measures. I am convinced that the difficulties facing the European steel industry as a whole justify an effort to achieve Davignon more general approach and a more unified policy, that is greater convergence of the social policies pursued in the various Member States, due account being taken, of course, of the specified differences in each country. In principle, however, the problems are the same. We see similar wishes emerging and similar problems arising in each of the countries of the Community. It should be possible, therefore, to fashion future conventions between the Commission and the Member States in two parts: a general part applicable to all the Member States and a second part more particularly adapted to the specific situation in each country. This would allow us to take account of the measures introduced in the various

countries. In this context we should have to take account, too, of the special problems which are by no means the same everywhere, but vary from country to country.

We are currently developing these plans with the Sub-committee on Labour Problems of the ECSC Consultative Committee. As it happens, Mr Davignon and I this week met a delegation of trade unionists and representatives of the various organizations in Lorraine, at their request. We had a very useful discussion with the various organizations, including representatives of the CGT. We agreed it was necessary to continue this discussion in the near future in Brussels or elsewhere.

A great deal of talk is expended on these matters, and it often happens that people are not terribly well informed as to what is really happening. Let me give you an example. Mr Albers emphasized that these new measures are vital. That is absolutely true, but I have received from the Netherlands Government a plan in which none of these new measures features. Since the way the system works is that we help to finance the projects decided on at national level, in accordance with Article 56, you cannot blame us for not doing our duty if a government fails to take certain decisions, or if the consultation between management and labour does not lead to the kind of measures which you rightly advocate.

Any criticism you have should be aimed then at The Hague and not Luxembourg or Brussels. Exactly the same applies to France, Great Britain and all the other countries. Certainly, our job at European level is to stimulate activity, but as regards financing we contribute only to what has been decided on at national level. It cannot be otherwise. We cannot take over the responsibilities of the governments or, in particular, of the two sides of industry. They must first reach agreement, and only then can we come in with our financial support and our influence on policy.

I should like, if I may, Mr President, to say a few words on the subjects currently under discussion in the Sub-committee on labour problems. One of these is the problem also raised by Mr Albers, namely the voluntary character of early retirement. I should like to draw your particular attention to this. The voluntary character of early retirement is indeed of very great importance, for I have on occasion heard the trade union movement describe — not entirely inaccurately — compulsory retirement at the age of 55 as a compulsory long-term unemployment benefit. We must be rather careful in what we do in this sphere and I support Mrs Kellett-Bowman in her comments on the desirability of keeping the retirement age flexible. Flexible, that is, not only from the employee's point of view but also from the employer's. We must not oblige 55-year old employees to retire if they wish to go on working.

Vredeling

In addition, we are working in this sub-committee on a number of special measures and provisions relating to early retirement for certain categories of employee. While it is true that many workers in the steel industry have heavy, dirty work to do there are nonetheless many employees who, just like ourselves, work in offices. They, too, are employees in the steel industry. In other words, we must be selective, and I believe that we should pay particular attention to those who do heavy, dangerous or dirty work, and to handicapped employees, when talking about the facilities for early retirement, reduced working hours and so on.

Also under discussion is the problem of the ratio of the pension received on early retirement to the final salary. The problem here is that of the continued accumulation of pension rights in the period from the date of early retirement to the date of reaching normal retirement age. The retirement of pension rights should really not be interrupted, since this can lead to injustice. We must bear in mind the consequences of the differences in retirement age in the various Member States, particularly with respect to financial contributions by the Community. If, for instance, one country introduces a retirement age of 55, as is under discussion in France at the present time, and another country, say the Netherlands, is reluctant even to reduce the retirement age to 62 or 63, it is obvious that the situation lacks a certain element of balance. This is reflected in the applications for Community funds by the Member States. This is why I consider it so vital that there should be convergence among the measures eligible for financial support from the Community.

Then there is the matter of Community assistance to the introduction of an additional shift. In the Netherlands and France, and to some extent in Germany, this means the introduction of a fifth shift. The effect is slightly different in other countries, given their different work systems.

The way we look at it, however, is that when enormous problems arise in regions which have been mentioned here on numerous occasions for example, Lorraine, and drastic measures such as mass dismissals seem likely, it is very much more equitable to introduce a fifth shift, since this will allow the employees to continue doing useful work, than to sack them and put them out on the street as Mr Albers so pithily put it. Community assistance can be considered in such cases, on the principle which we have also observed in the question of early retirement, that in this way dismissals can be avoided. As Mr Laurin also pointed out, we then save money on unemployment benefits and other payments which we are obliged to make by Article 56. After all, we are obliged to contribute 50 %, and we can save that money by doing something which is more intelligent, more sensible and more socially acceptable. That is the foundation and

indeed the legal basis for Community support to the financing of this kind of measure. It is in fact, the basis on which our measures will be further worked out.

Shorter working hours are another possibility which the Sub-committee for labour problems of the Consultative Committee is discussing — shorter working hours that is, in cases of sudden difficulties. I should point out here that in the jargon used in the Netherlands we make a distinction between shorter working hours and short-time working. The latter is an incidental measure, whereby workers sometimes have working weeks of 25 hours or less to facilitate the transition from a different type of activity or different retraining programmes and the like. Measures of this kind can replace abrupt dismissals, and for this reason we are looking into the possibility of assisting with these measures, on the basis once again of principle that we all save money, even the Community, if we can prevent dismissals.

The same applies to measures relating to the reduction of systematic overtime. In some Member States, and I am thinking here particularly of the United Kingdom — this is also a feature of Ireland but the steel industry there is of rather less importance — there is a systematic use of overtime owing to the fact that wage policy there has traditionally been different from that on the Continent, and regards overtime as an integral part of the worker's income.

This is a different approach, which is of very ancient origin. If we now oppose systematic overtime this would be at the expense of incomes, particularly the lowest incomes. In our view, we must also investigate here whether, by cutting down systematic overtime and thereby increasing the number of jobs and reducing the number of dismissals, we can also assist in financing measures of this kind, which aim to protect the interests of the lowest paid. We are currently working out the details of this in close collaboration with representatives of the trade unions and employers' organizations, and shall consult with government representatives when we come to discuss the national agreements.

I should like to add just a word on the scale of the problem. The forecasts available to us for production, sales prospects, productivity increases and so on suggest that between 100 000 and 140 000 jobs will be lost if we do nothing. It is occasionally claimed, quite inaccurately, that the Davignon Plan will mean the dismissal of from 100 000 to 140 000 workers. Possibly this is mere ignorance, but sometimes it is demagoguery. The point is that we have identified the problem and taken counter-measures. The objective is, in fact, to avoid these 100 000 to 140 000 dismissals. That is the real background to the figures I have given, and which a recent calculation indicates are still valid.

Vredeling

The number of persons employed in the various countries of the Community has already dropped markedly. Some 1975 figures will illustrate this. Since December 1975 the number of persons employed in the steel industry fell by 8 % in the Federal Republic of Germany, by 15 % in France, by 3 % in Italy, by no less than 23 % in the Netherlands, by 18 % in Belgium and by 21 % in Luxembourg. The drop was 4 % in the United Kingdom, while in Ireland and Denmark, both of which have only a small steel industry, there were increases in the number of steel industry employees, the figure for Ireland rising by 11 % between December 1975 and December 1978 and for Denmark by 4 %. In the Community as a whole, Mr President, the number of persons employed in the steel industry in this period fell by 10 %. You can see that the loss of jobs is by no means a specific French problem. Countries such as the Netherlands, Belgium and Luxembourg top the list in respect of the loss of jobs, and although France, with 15 %, is above the Community average, it is by no means the worst off.

I should like now, Mr President, to deal briefly with the comments of many honourable Members on the need to find alternative employment, particularly in those areas which are exclusively dependent on the steel industry. This is probably the thorniest problem of all. After all, you can hardly compel people to create industries. Certainly, government aid can stimulate initiatives here and there, but in objective terms the coordination of such activities is about the most difficult thing imaginable. There are few countries in the world, whatever their political colouring, which have really mastered this problem. And we are trying to solve it via selective economic growth. I would mention here the Ortolí facility which the Council has accepted in principle, the loans under, I believe, Article 375, on which I shall shortly say something more. These loans are intended to identify and stimulate growth sectors selectively. The report which we drew up for the Standing Committee on Employment shows that there is real growth in the services sector, a sector which accounts for 50 % of all Community employment. The figure in the United States of America is 70 %. They are simply ahead of us. Jobs in agriculture and industry, on the other hand, are shrinking everywhere. As far as agriculture is concerned, there is no country in the world which presents a different picture. As I said, jobs are disappearing in industry too, and the universal feature is that the growth is to be found in the so-called tertiary and quaternary sectors. It is there that we must provide the alternative employment.

We must be careful not to promote only large-scale projects, gearbox factories and the like. Mr Santer rightly emphasized the importance of the services sector, particularly medium and small undertakings, in

the creation of new jobs. But it is the most difficult area, and I fully accept that it must exist before people can be transferred to it from the steel industry, and our measures aim to create this transitional period, this breathing space, and to facilitate this transition by the creation of new industries and new activities. As we all know, we are living in a time of slower economic growth than in the past, and this is why we must apply the fruits of economic growth selectively, and by definition this means greater government influence on decisions, at both national and Community level. In both areas the influence of the public authorities will and must increase. I am well aware that this is a political statement.

I have already said that these dismissals must be prevented. I thoroughly agree with Mr Laurain and Mr Albers. Both orally and in his report Mr Laurain has asked about the secondary effect of the reduction of steel industry activity. He asked whether there are consequences for two to three ancillary companies if an undertaking disappears from the steel industry, and whether the Commission has any relevant studies available. I am sorry to have to reply that we have no direct studies. I am familiar with a German survey relating to the shipbuilding sector, which indicates that reduced activity in that industry does indeed have side effects on the ancillary undertakings involving the loss of twice as many jobs again. In other words, the effect on employment in the sectors outside shipbuilding is twice as great. Whether this is so in the steel industry I would not care to say. It depends very much on the region in question. The consequential effect in Lorraine, for example, where the ancillary industry also consists of iron ore supplies, is naturally much greater than in a country such as the Netherlands, which simply imports its iron ore from abroad. So we must bear that in mind. It is not possible to regard all the regions in the same light. With respect to the measures which we have taken in the past, and I shall take 1978 as a base year to illustrate what we have done, we were able to help 20 000 employees in the coal mining industry with the 60.5 million EUA which we had available in 1978. As you know, the coal-mining industry still comes under the ECSC. We also assisted 31 000 steel workers. In total, therefore, we helped 51 000 persons with Community funds, and we have established that in the case of about 70 % the funds went on assistance with early retirement and that some 20 % were workers who were given other jobs in the same undertaking after a period of retraining.

The remaining 10 % are in general dismissed before reaching retirement age. It is extremely difficult to discover what happens to that 10 %. We have very few details on this. However, it is worth noting that 70 % of the money which we made available in 1978 in accordance with Article 56 went to assistance with early retirement.

Vredeling

It should not be forgotten, however, that in some countries, such as France, early retirement is already so common that it is hardly possible any longer to use this as a means of reducing the number of dismissals. The average age of workers in the French steel industry is very much lower than in most other industries, for the very reason that in the past early retirement has been applied on such a scale in that industry. This is a special feature, so that we shall have to use methods other than early retirement for redistribution of work in order to deal with the problems. We shall most certainly do everything we can on the basis of Article 56 of the ECSC Treaty. I say that in reply to a question from Mr Cot. If for formal legal reasons Article 56 proves too limited, and we shall approach this as broadly as we can, we shall not hesitate to have recourse to Article 95 should that be necessary, since Article 95 — for which, by the way, we need the Council — offers us in principle the possibility of taking additional measures within the framework of the ECSC Treaty, if not otherwise possible for formal reasons.

There has also been much talk about the Council's decision to reduce the extra 32 million to 28 million. Mr Davignon expressed his dissatisfaction and indignation to the Council in unmistakable terms. He told the Council that it was failing to fulfil its duty and accept its responsibilities. I have no wish to make excuses for the Council, but I would point out that the decision will have no direct adverse consequences on the financing of the projects which we receive from the Member States. If we should find that the loans which we make available are insufficient to help finance the national projects which are submitted to us, we shall not hesitate to submit a supplementary budget. I address this remark particularly to Mr Ryan, the rapporteur for the Committee on Budgets. If that happens, we shall submit a supplementary budget because the need to help finance these social measures — and this is a right based on Article 56 — is so great that the financing aspect ought to be, as it were, a secondary matter with respect to measures of this nature.

Mr Cot and Mr Santer said that we should submit a new request if it emerged that the funds were insufficient. I have already said that we shall most certainly not hesitate to do that in good time. If, on the basis of our proposals in respect of work redistribution, the Member States present new plans, and if we then find that the funds available from the present ECSC budget are insufficient, we shall not hesitate to ask the Council for additional appropriations.

Mr President, may I just comment briefly on the remarks by the Committee on Budgets on the fact that the Commission has been so slow and has not used the appropriations available to it. Well, I have

taken note of that, but I should like to play the ball back into Parliament's court. As far as I know, Parliament has never expressed an opinion on this. Certainly we have appropriations available in the budget under Article 375. We have made a proposal for a regulation to allow us to use that money, I think for the shipbuilding and man-made fibres industries. Parliament has as yet not given its opinion. So I don't think the Commission is so slow after all, and I must therefore rather reject this criticism. The Council, after all, cannot take a decision until Parliament has given its opinion. It is true that the Council is rather behind with this regulation, but we have transferred the appropriations entered for 1978 to 1979. I hope thus that Parliament will be able to give its opinion shortly, and that this will be followed by a Council decision, so that the 25 million EUA can be used for the purposes for which they were intended.

To save time, I should like now to say something about the amendments. Mr Cot has spoken on the Davignon Plan, on which I said something earlier. I should like now to comment on Amendment No 1 from Mr Albers, who considers that the word 'inadequate' in paragraph 4 of the motion for a resolution should be replaced by the word 'unacceptable'.

In the light of what I have already said it will be obvious that in the phrase which appears in paragraph 4 of the motion for a resolution: 'Considers that, in its present form, the anti-crisis plan approved by the Council is inadequate', the word 'unacceptable' is quite inappropriate. I have already said that this plan is a comprehensive plan. With respect to the social chapter we have absolutely no need to call on the Council. Mr Albers, who submitted this amendment, must realize that. We have to do with the individual Member States, but not with the Council. Article 56 gives powers to the Commission, but there is nothing in that Article about the Council approving these matters. The purport of our social chapter is, thus, that we use our powers to take measures. I admit, of course, that we reach agreement with the individual Member States, and with the individual governments, but to begin with the Council as such has nothing to say. That is why I agree with the wording 'Considers that the anti-crisis plan approved by the Council is inadequate.' That is quite correct. It is inadequate, if it is not followed up by social measures agreed upon between employers, employees and national governments, on the basis of plans which are then submitted to the Commission. I find the word 'unacceptable' unsuitable here particularly since on the previous occasion Parliament fully accepted these ideas and indeed approved of them. I recall Mr Ansquer's report on this point, and I think, it would be rather inconsistent of Parliament to use this kind of wording now.

Mr Cot says that everyone knows who Mr Davignon is, but they have never heard of Mr Vredeling. That

Vredeling

may be because I am not a viscount, but of rather humbler origin.

(Laughter)

That is not the reason of course. What probably is the reason is that the European Parliament does exactly the same, Mr Cot, the European Parliament does the same. It deals with the technical economic aspects on the basis of the Ansquer report, which I believe was debated in January. Our social chapter is not the principal element in that report and Parliament is now dealing with the social aspects on the basis of a different report. I am not trying to justify the situation because what Mr Cot says is in fact quite accurate. He makes his point pungently, making use of personalities, which is always an effective device. But it is indeed symptomatic that neither in the EEC Treaty nor in our social life as a whole do social problems receive the same attention as economic and financial problems. So Mr Cot's comment was justified, and I am doing all I can, to the point of becoming a bore, to remedy the situation. For I note that whenever I speak in this Parliament about social affairs, various honourable Members can hardly wait until I've finished speaking to have a chance to have their own say.

Mr Cot says quite rightly that when there are demonstrations, and sometimes those are inevitable, there must be no demagoguery. He referred to slogans which one hears now and again such as 'no to a German Europe'. Mr Cot said, quite accurately, that with this sort of demagoguery you know how it but you but you never know how it's going to end. I could not agree more, for these demagogic slogans — I have no hesitation in calling them that — this demagogic approach which exploits the misery which the people have to suffer can be found in the press sometimes, wherever Mr Debré makes a speech somewhere. I read that sort of thing now and again. I must say I find them rather odd bed-fellows.

Mr Cot points out that the crisis we are undergoing is a crisis of world capitalism. That's perfectly true, and you can hardly blame the European Community for reacting to this situation and operating within that political framework in its various plans, be it the Davignon Plan or any other, aimed at improving the situation in Western Europe.

It is perfectly true: the social plan is tragically inadequate, and at the same time absolutely necessary. I have never heard it put so well, and I wholeheartedly agree. It is tragically inadequate and none the less essential. I find that a thoroughly accurate statement. Mr Cot also spoke about the 35 hour working week. The governments say that they cannot discuss the 35 hour week and that they must first raise that in Brussels. That's what the French Minister said a short while ago. They consider that this is something which

must be decided at European level. But if you raise this at European level you are told that, after all, this is the responsibility of the two sides of industry. We ministers have no right to talk about this! Lip service is then paid to the principle of the independence of management and labour, simply because the ministers want nothing to do with it. But that is a very dangerous game. If governments are going to argue that these problems should be solved at European level, and then when they get together round a European table they state that they do not belong there, this is a development which I feel must be expressly warned against.

Naturally this is a subject which should be discussed at European level, but the discussions must be followed by decisions which lead somewhere.

I have the following comments on the amendment tabled by Mr Albers and Mr Forni. Our proposals for a flexible retirement age, a change in the shift system, and the gradual reduction of the working week to 35 hours must not be taken as meaning that these measures can be applied cumulatively. If the suggestion in the amendment that they should be applied cumulatively were to be adopted this could lead to very great difficulties in the financing. The idea that we should have a battery of measures at the same time, i.e. introduction of a flexible retirement age, a change in the shift system, and a 35 hour week for everybody seems to me to be going a bit far. As you know, following a long strike in the German steel industry, the working week was not reduced to 35 hours but maintained at 40 hours for the next five years, albeit with six weeks holidays. Objectivity compels me to point this out.

Mr Ryan has tabled an amendment on the appropriations in Article 357, on which I have already spoken. I feel that this amendment is not entirely appropriate, and that the criticism of the Commission is not entirely justified.

Mr President, in conclusion I should like to thank Parliament again for giving the Commission the opportunity, on the basis of this report, to present in greater detail and to defend its views on the entire range of social problems. Naturally, our plans will have to be given form in what I have called the agreements between the Commission and the various Member States. We trust that it will thus be possible to make a start on a convergent social policy, in other words a Community policy in the social sector. As Mr Caro so rightly said, this is essential if we wish to project a Europe with a human face, and if we really mean what we so often say in our speeches, that what is important is the humanization of work. I believe that the social chapter which we have submitted to you is a practical and striking example of such humanization.

IN THE CHAIR : MR DESCHAMPS

Vice-President

President. — I can assure Mr Vredeling that in this Parliament the attention we accord a statement does not depend on the length of the statement or on the title of the person who is making it. We accord the same attention to the speaker, whether he be a viscount, a vice-president or a Member of the Commission.

I note that no one else wishes to speak. The motion for a resolution and the amendments which have been tabled will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

10. *Membership of committees*

President. — I have received from the Christian-Democratic Group (EPP) a request for the appointment of Mr von Bismarck as member of the Committee on Budgets to replace Mr H.W. Müller. Since there are no objections, the appointment is ratified.

11. *Economic and trade relations between the EEC and Australia*

President. — The next item is the report (Doc. 546/78) by Mr Martinelli, on behalf of the Committee on External Economic Relations, on economic and trade relations between the EEC and Australia.

I call Mr Martinelli.

Mr Martinelli, rapporteur. — (I) Mr President, the trade balance between the Community and the Australian Federation showed a trend from 1973 to 1977 which alone is enough to explain the malaise in the relations between the two communities. Whereas in 1973 Australian imports and exports were almost in balance, with an overall turnover of USD 3 750 million in 1978, with an almost doubled turnover, Australia showed a deficit of about USD 1 000 million due to the trend of its exports to the Community, which have been decreasing in percentage.

This trend is, of course, marked particularly by relations with the United Kingdom, which in the years around 1950 absorbed more than 40 % of Australian exports to the countries which were to become the Community, a figure which decreased to less than 5 % in 1976/1977. I would say that the vexation of the Canberra Government is understandable ; but this must induce us to examine the various trade sectors, with a view to achieving a better balance.

Australia must be given credit for having reacted to the decline in its trade with the Community by

making a great effort to expand its exports to other areas. In 1977, for example, Japan absorbed one-third of Australian exports, and in Australian trade as a whole exports of agricultural produce have increased precisely because of a considerable expansion in third countries.

But it is also true, as we must never forget, that whereas the Community has maintained its position as a major foreign supplier of the Australian market (machinery, transport equipment, manufactured products, chemicals, foodstuffs and beverages), Australian exports to the Community of beef, veal, mutton, lamb, cereals, sugar and fresh fruit decreased by about 80 % between 1973 and 1977.

In 1977, Australia asked the Community for a joint examination of the state of their trade relations, and Prime Minister Fraser, as well as the Australian ministers responsible for special trade negotiations, first Mr Howard and then Mr Garland, put forward various proposals to bring trade between the Community and Australia back into balance. Moreover, the Australian Government complained of the difficulties which its own exports of agricultural products were encountering on the markets of third countries as a result of the competition from Community exports of dairy products, sugar and cereal benefiting from the high export refunds under the common agricultural policy.

With understandable insistence the Australian Government asked the Community to adopt measures to facilitate their exports of beef, veal, mutton, lamb, buffalo meat, dairy products, cereals, fresh and canned fruit into the Community area. From a policy standpoint the most important request relates to beef and veal, for which Australia has asked for an increase in the quota exempt from levies, from 50 000 to 200 000 tonnes per year, and the fixing at 100 000 tonnes per year of Community imports, at a reduced or zero levy, of frozen meats intended for processing.

For buffalo meat Australia has asked the Community to grant it a quota of 2 000 tonnes per year exempt from levy, and has also asked for access to the Community market to be maintained after 1980 for imports of New Zealand butter (about 100 000 tonnes per year) in order to relieve the pressure on third-country markets which the ending of these import facilities for New Zealand butter would create for direct Australian exports. For fresh and canned fruit, the Australian Government has asked for a reduction in the duties levied. In the face of these demands the Community maintained its general policy, in accordance with which practical concessions could not be made bilaterally but had to be negotiated at Geneva as part of the Tokyo Round. The Australian demands, indeed, concerned core problems of the multilateral trade negotiations for the agriculture sector, and did not take account of the Community proposals for 'concerted regulation' intended to achieve a better balance in world trade in major agricultural products through regulation of import and export policies.

Martinelli

The Community has always maintained that the negotiations begun in the GATT should be pursued. In this context it appears to have tried to respond to the Australian demands on meat and dairy products. It seems to me also that, in order to meet Canberra's expectations, even in this changed psychological climate, considerable effort could be made to let in these typical continental products, and especially beef and veal, since such products, unlike those of the Mediterranean, enjoy sufficient protection — some would say too much — within the Community.

The Community has also made offers at Geneva on certain market garden products — pears and apples — but possible concessions on citrus fruit and processed fruit products cannot be examined in the context of multilateral negotiations until the special agricultural problems of the Mediterranean areas have been solved. It seems to me that Australia has now conceded that its trade problems with the Community should be solved in the context of the Tokyo Round. But the acceptance of this procedure does not solve the basic problems. In exchange for the concessions which Australia could make in the industrial sector, where the Community criticizes it for a number of restrictive and protectionist measures, the Australian Government asks for the above-mentioned concessions — in the agricultural sector and for the regulation of Community sales on the traditional Australian export markets which benefit from export refunds. Australia has also registered a protest with GATT with regard to sales of sugar. I hope that Mr Haferkamp will be able to give us an up-to-date and satisfactory assessment of the stage which the negotiations have reached. Before concluding, I would however ask him to tell us something about cooperation in the nuclear sector also. A significant proportion of uranium reserves is found in countries whose political instability could pose problems with regard to reliability of supplies and to the increase of international demand, whereas from 1982 onwards substantial quantities of uranium will become available in Australia. Moreover, Australia has already negotiated an agreement in the last year for the supply of uranium to the United Kingdom, an agreement which has not been recognized by Euratom because of a certain clause in it. France, for its part, does not recognize the Commission's right to take full responsibility for a Community negotiation, and the question has been in suspense for some time. I would also ask Mr Haferkamp if there are any new prospects in this field. Mr President, Europe's political and trade links with the 'island-continent' of Australia go back a long way and have been especially continuous and close. In order to keep these links, however, it is necessary to take account of the current situation: although Australia is a highly industrialized country, its agriculture, which employs only 6 % of its workforce and provides only 7 % of the gross domestic product, nevertheless

succeeds in accounting for a large share of Australian exports — 46 % in 1976. We cannot therefore consider that continent only in the light of an ever-increasing availability of raw materials — even if Australia is in this respect a continent as yet largely unexplored — for it is also an agricultural area of world importance. Certainly no one could expect Australia to accept calmly the shelving of part of its trade with the Community. The start of extensive consultations, which I think will become regular, and which I hope will be paralleled by regular parliamentary contacts, can make economic relationships which can make the cooperation between the two economies beneficial both in traditional and in new sectors. In this respect also, I should like to congratulate Mr Haferkamp, who has conducted the negotiations with Australia with consummate diplomacy at a difficult time. To be ready to broaden our economic relations with Australia is the hope, albeit within due realistic limits, which emerges from the motion for a resolution which I have the honour to present to Parliament on behalf of the Committee for External Economic Relations, and this hope is fully shared by the Christian-Democratic Group on whose behalf I have also spoken.

President. — I call Lord Kennet to speak on behalf of the Socialist Group.

Lord Kennet. — Mr President, the Socialist Group, I think it should go without saying, wholeheartedly supports the resolution which Mr Martinelli has just moved. Australia is a country the Europeanness of which is quite self-evident. I use the word 'Europeanness' in preference to 'Englishness' because this is not always fully appreciated in Europe: one knows at once that in Australia they speak English, they play cricket and all the rest of it, and the high level of, for instance, Italian and Greek immigration into Australia is probably also very well known, but what is perhaps not so well known is the fact that this immigration into that country reflects the whole of Western Europe. A sample figure is that since the war there have been no less than 170 000 Dutch immigrants: this is not a fact that we think of usually at first when we picture Australia in our minds.

Now this motion for a resolution is, very rightly to our mind, slanted towards the need to make economic life as easy for Australia as we can, without rescinding thereby any of the principles of West European economic cooperation and integration. This is necessary, for the present economic balance between us and them is not too happy. Mr Martinelli has given many and variegated figures, but it can all be summed up perhaps in the figure that Australia's visible trade deficit with the Community is now at an annual rate of 11 000 million Australian dollars, the Australian dollar being worth more than the American dollar,

Kennet

and if you add the invisibles, the overall Australian deficit with us is about 2 000 million Australian dollars. This is not really a very happy situation: the Australians are not asking for balanced trade — and I think we can agree that that is lucky for us, given the imbalance of our own trade in certain other parts of the world — but it does mean that we have a big stake in the future prosperity of Australia; this is something the Australian Government is well aware of, and it is therefore very open to any means whereby we can increase Community investment in that country. All this is especially the case on the industrial side now that Australia's agricultural products, as Mr Martinelli delicately hinted, but let me state it rather more coarsely, are coming along towards being gradually excluded from Community markets, and it would be wrong to leave the subject of Australian agricultural exports without mentioning the fact — though the degree of this is open to discussion — that it does appear certain that some of these exports are being squeezed out of third markets by the need to compete with Community agricultural exports, which, in a state of nature, shall we say, would be going at a higher price than they are.

The gist of this resolution is in paragraph 3, which sums up everything that I have been saying and everything that Mr Martinelli said before me: this is the political thrust of the resolution. One of the most practical and hopeful provisions in the motion is, I think, in paragraph 8, which is mainly about exports in general but specifically mentions coal, and although the resolution does not say this, I think it would be good if the Commission and all the institutions of the Community were to bear in mind the shape of the energy relationship between the Community and Australia in general. I don't particularly wish to draw Mr Haferkamp on this point, because it is so immensely complicated, but merely to touch in passing on the existence of the uranium exports from Australia to us and to commend — if it is not presumptuous of me to do so — to commend from personal knowledge the very great seriousness with which the Australian Government has tackled the question of non-proliferation policy in the context of these uranium exports. The journeys of Mr Justice Fox around the Western world and his open-minded and extremely thorough approach to the problem could well, in my view, have provided a lesson to almost all the other industrialized countries — a lesson simply in the seriousness with which this problem ought to be approached.

I say we support this resolution. My group also supports the amendments which are down in the name of Mr Martinelli and my friend Mr Fitch, in whose stead I am now speaking, and I would like to point out that the main point of the amendments is to bring a parliamentary dimension into this resolu-

tion which was hitherto lacking. In effect, it proposes to bring Australia into line with the parliamentary arrangements which the Community and we, in this Parliament, have with many other countries. It seems that this is the least we should do, and I hope the amendments will commend themselves to the full House.

Lastly, I would like personally to thank Mr Martinelli on behalf of my group for the cooperativeness and flexibility with which he has taken our points on board in the committee stage of the discussion of this resolution, and I hope that it will find as much favour with the other groups in the Parliament as it does with the two largest groups.

President. — I call Mr Zywiets to speak on behalf of the Liberal and Democratic Group.

Mr Zywiets. — (D) Mr President, ladies and gentlemen, I should like to say at the outset that the Liberal and Democratic Group also welcomes the report presented by Mr Martinelli on economic and trade relations between the Community and Australia. My group's main reason for approving this report is that it is well-balanced and paints a clear picture of the respective interests involved. The previous speakers have already described the past and present nature of these interests — Britain's special position with regard to Australian imports, for instance. Australia used to consider itself virtually as Britain's supplier 'by appointment', and the loss of the British market has not been fully compensated for by access to the Community market. Australia also feels that the trade flows have been diverted into other channels since the Lomé Convention.

In the report the Commission and Council are warned not to be too intransigent *vis-à-vis* Australia: on the other hand it points out that in the agricultural sector the European market offers only limited openings for Australian goods. However, as Australia is one of the Community's most reliable suppliers of raw materials, we must find other ways of meeting its wishes. The Committee on External Economic Relations, however, foresees difficulties in changing over from agricultural to industrial exports and raw materials, and feels that non-industrial production and marketing areas offer greater possibilities. If these are to be exploited, the recent trends towards industrial protectionism in Australia must be halted or at least made less intense. We feel that we should not react to Australia's argument that whoever wants to buy its uranium should also buy its beef by saying that we want to buy our coal from Australia despite our own pithead stocks. This would lead us nowhere. On the contrary, such an approach could engender a hardening of attitudes with all the associated dangers which my group has repeatedly warned against.

Zywiets

The Liberal and Democratic Group has taken every opportunity to point out the danger of stifling free trade in the world by protectionist measures. The heads of state and government also declared that they were opposed to protectionism, as national barriers to trade would merely increase unemployment and inflation, thereby reducing the well-being of our people.

Material for conflict in this area is now piling up throughout the world, and accusations of protectionism are also being made against the Community.

While on the subject of our relations with Australia, I would remind the House that not very long ago the Australian Prime Minister told us that the uranium we so badly wanted could only be supplied if the Community stopped discriminating against Australia. A whole series of other hard-hitting accusations were also made, but I shall not go into these in detail here. Unfortunately, Australia has not altered its position since then. In January the Minister for foreign trade, Mr Garland, said at a press conference in Brussels that there was only a moderate chance that Australia's demands at the GATT negotiations with the Community would be met. He stated that trade relations between Australia and the Community had shown no improvement over the past year. At the press conference he repeated in essence the Australian Government's persistent demand that the Community market should be more accessible to Australian farm produce.

While we appreciate Australia's position, it is unfortunate that — in our view, at least — the Australians fail to grasp how difficult it would be for us to comply with their demands. Australian farm produce competes directly with EEC produce from the Mediterranean areas, and in view of the Community's impending enlargement we cannot add to the difficulties of these regions.

We know from past discussions in this House that as early as 1977 President Jenkins and Prime Minister Frazer concluded an agreement on arrangements to promote closer cooperation and mutual understanding in many spheres. The Liberal and Democratic Group would greatly appreciate it if the Commission could tell us what concrete results have been achieved since then and whether it has been possible to remove the potential sources of conflict between the Community and Australia. How does the Commission intend to renormalize trade relations between the Community and Australia on the basis of free and open world trade?

The comments made last month by the Australian foreign trade minister certainly suggest that the existing arrangements are not as effective as they might be.

In conclusion, I should once again like to point out on behalf of the Liberal and Democratic Group that

in addition to Australia's dependence on the Community there are certain very important fields in which the Community is dependent on Australia. We should therefore act quickly and consistently to achieve a clear and mutually satisfactory solution, otherwise the importing countries which have largely taken over from Great Britain — and I am thinking primarily of Japan — could, in addition to importing agricultural produce, become the main importers of the raw materials which are so important to us, in particular raw materials which are widely used in the energy sector and which the Community so urgently needs. I can well imagine that Japan is very interested in acquiring such raw materials.

We can only endorse the references made in the report to the natural links between Europe and Australia; on glancing through the report I was reminded of Goethe, who said that what a person inherits from his parents he must acquire anew in order to possess it. I believe that natural links do not remain natural for ever, but have to be specially cultivated if they are to remain effective. They are not a heritage, and therefore we — and particularly I myself — believe that while we should offer tokens of goodwill in the agricultural sector, emphasis should ultimately be placed on industrial imports, and an atmosphere of trust and a form of cooperation should be created in which, as you suggested, we can maintain regular contacts with Australia. In my view — although I am not sufficiently expert — it is not enough to rely, indeed rely exclusively, on multilateral talks, if we in Europe, and especially in Great Britain, are so proud of our previous good relations with Australia. I believe that this bilateral element must in future play a more cohesive role in the links between Australia and the Community.

I have run rather short of time. I have been standing in for a colleague and I see by my watch that time has become very pressing. I am afraid I am unable to stay for the rest of the debate, and I apologize for this.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, we welcome this debate and would like to pay particular tribute to Mr Martinelli for his analysis and report. We agree with the conclusions reached in the report and welcome the motion for a resolution.

I should like to state the Commission's views on certain points and underline what has already been said about the importance of Australia as a trading partner of the Community. We also appreciate the importance of the considerable surplus in the Community's trade with Australia and are convinced that — as has been pointed out both here and in the report

Haferkamp

— the Community and Australia have a tremendous amount to offer each other in the economic sphere. I am thinking of Australia's natural resources, which have already been mentioned and which we lack, and of the possibilities open to the Community for supplying Australia with capital and consumer goods, knowhow and capital. This would be an ideal opportunity for cooperation and complementary action.

In addition to our economic ties, we are also linked to Australia by historical ties, as has already been pointed out. We share the same fundamental economic and social concepts. Our political attitudes are also similar in many respects. Our relations are basically harmonious, but there is one area of discord, namely the problem of Australia's beef, dairy produce, sugar and wheat exports to the Community, which have plummeted as a result of enlargement. We also appreciate that farm produce accounts for a large proportion of Australian exports and that this problem has become particularly acute since the enlargement of the Community in 1973.

The rapporteur has already pointed out how well Australia has managed in the past few years to adapt to the new situation and to open up other markets for herself. I am not suggesting that the Community should in future shut its doors to Australian farm produce — in fact we are currently discussing such trade arrangements — for important products — in the GATT talks. This point has already been mentioned. We earnestly hope that these talks on the three agreements relating to dairy produce, cereals and meat will soon yield positive results. The talks are equally important for the Community and Australia, but I would like to stress that they are also important for other countries engaged in world trade in these products. The talks are being conducted on a multi-lateral basis.

I would therefore like to underline our hopes and efforts to ensure that these important negotiations are successful, as I trust that this will ease Australia's problems with regard to the products in question. Moreover, both sides are trying to work out arrangements on agriculture involving mutual trade openings and concessions. I must point out, however, that no firm agreements have yet been reached and that the quantities involved are not exceptionally large.

I should like to reiterate a point just made by Mr Zywiets, namely that it is important to consider the atmosphere in which trade is conducted. I am convinced that it is vital to make an effort to achieve progress even with products whose quantities are not terribly great, as this will be an earnest token of goodwill — which I am sure is present on both sides.

More and more non-agricultural products are being imported into the Community. These have already been mentioned and include coal, uranium, iron ore, bauxite and non-ferrous metals. If this trend is main-

tained, it is possible to forecast approximately when the trade deficit I mentioned earlier will be eliminated.

We appreciate Australia's agricultural problems and know that Australia also appreciates our difficulties, including the social problems of Community agriculture. Lord Kennet raised a question concerning the possibilities of an agreement on uranium. The Community is interested in obtaining uranium from Australia, and the Commission is aware that one of the prerequisites for obtaining such supplies is the conclusion of a safeguards agreement with Australia, containing the customary international guarantees on the peaceful use of fissile materials. As far back as December 1977 the Commission submitted mandate proposals for the talks to the Council, but the Council has not yet reached any agreement on these, despite persistent reminders by the Commission. As the question has now been raised in this House, we take this opportunity to draw attention to the adverse effects which any further delay on the part of the Council could have on uranium supplies. The Commission is grateful to Parliament for raising this point and for underlining its importance.

Mr President, we earnestly hope that we will be able to maintain an increasingly friendly and open dialogue with Australia at all levels. During our discussions both sides have frequently remarked that because we are geographically so far apart, we often do not have the necessary information about each other. Clearly, the Commission should consider it its duty to provide Australia with more information about the Community and to obtain more information from our Australian friends.

Close contact between this House and the Australian Parliament would be valuable in helping to achieve this goal, and there is tremendous scope for strengthening our mutual understanding. We are firmly convinced that close economic and political links between Australia and the Community are both necessary and attainable. We know that there is goodwill on both sides, and we must tackle our present difficulties realistically. Over the past year we have had frequent contact at all levels, and I am gratified that we have had so many visits from members of the Australian Government in Brussels, and in particular at our talks in Geneva. These visits have shown — and have convinced me personally — that there is no shortage of goodwill and realism. Because of this, I am convinced that we can jointly study ways of cooperating, and that we shall together achieve our major objectives.

President. — I note that no one else wishes to speak. The motion for a resolution and the amendments which have been tabled will be put to the vote at the beginning of tomorrow's sitting.

The debate is closed.

12. *Relations between China and the Community*

President. — The next item is the oral question with debate (Doc. 599/78) by Lord Bessborough, on behalf of the European Conservative Group, to the Commission :

Subject: Relations between the People's Republic of China and the European Community

What developments have taken place in relations between the People's Republic of China and the European Community since the conclusion of the Trade Agreement with China?

I call Lord Bessborough.

Lord Bessborough. — Mr President, the European Conservative Group and, I may say, the European People's Party, have tabled this oral question and a motion for a resolution about the development of the Community's relations with China. I still believe that the Commission or is it, perhaps, the Council? — is being insufficiently purposeful in developing the relations which China obviously wants.

It was exactly a year ago that Chairman Hua Kuo-Feng spelt out the grand concept for the development of China's economy, calling for the all round modernization of agriculture, industry, national defence, science and technology by the end of the century. The Chinese leadership listed 120 large-scale projects, including 10 iron and steelworks, 9 non-ferrous metal complexes, 6 coal mines, 10 new oil and gas fields, 30 power stations, 6 new trunk railways and 5 key harbours. Medium and heavy engineering industries would be developed; there would be new petro-chemical and electronics industries; transport, road and rail communications, postal and telecommunication networks would be installed. There is little at the moment and it, was, for example, impossible, when I was in China for me to phone Shanghai from Ta Ching where the largest oilfields lie.

The Chinese leadership expressed China's intention to build nuclear power stations, launch satellites, develop a new electronics industry and apply computers in the management of the country and of enterprises, and in the design of new projects. 85 % of farming processes would be mechanized, steel output would be targeted at 60 million tonnes annually by these targets within their time scale; this is a very interesting and debatable question, on which there are different views. A number of highly qualified experts think that they will achieve these targets. But there is no doubt that during the coming six years China's planned investments may well represent considerably more than the capacity to supply of a single Member State of the European Community. If we consider for a moment the steel sector: a German firm is negotiating with China for the supply of an integrated steel mill with an output of 10 million tonnes annually, worth about, I think DM 28 000 million. To my know-

ledge, this potential contract represents the largest purchase by China from any Member State, and I hope it is successful. I hope the contract will be signed, if it has not been signed already. But this contract would represent less than 20 % of the available market opportunity. The remainder of China's needs in steel plant will probably be met by Japan.

As the Commissioner probably knows, the president of Nippon Steel is chairman of the Japan-China Joint Committee for the promotion of trade with China, and the Joint Committee has a coordinating subcommittee for its five working parties, which is also chaired by the president of Nippon Steel. Clearly, the Commission needs a Community industrialist with enthusiasm for the Chinese market.

Recent events in other parts of the world show that rapid modernization can lead to rejection, or at least, shall I say, to the symptoms of rejection. When China's leaders, ministers and officials tell me that they want a relationship with the Community, that is more than the exchange of goods and services, what are we in Europe prepared to do about it? That is why I want to extend this whole question of our relations with China. It is true that during the next few years time, I think, 10 000 Chinese students will be studying in Western universities. But are we content with that? What are we prepared to do in order to cultivate a human relationship, one that takes account of each other's intellectual and spiritual needs?

The social and economic difficulties of an Iranian market which may be partially lost are being felt in Europe and in the United States. There is, in my view, no need for such stresses to arise in China provided we develop relations with the Chinese that permeate their society and ours. The Community's institutions are the fora in which ideas for the relationship with China can be developed, and I would like to ask this: Is the Commission concerned to do something about this aspect of our relations, to take initiatives with universities — say theatrical or orchestral groups — even with Christian church leaders? I have seen estimates that China will require USD 30 thousand million to invest in infrastructure, training, housing and other industries for each USD 10 thousand million invested in capital plant from overseas. Even if this estimate proves exaggerated, it does provide an indication of the extent to which China might become dependent on Japanese or Community firms, or even American firms in meeting the needs beyond those of technology alone; and China's time scale is short: twenty-one years to convert a basically agrarian economy into an advanced industrial State.

If the Commission would examine the manner in which Japan and China have organized their Joint Committee for the Promotion of Trade, then Community firms might be able to tackle the Chinese market with greater confidence. It is, I think, disingenuous of

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the Commissioner to imply as I think he did in a recent speech in Essen — that the increase in the Community's exports to China of 88 % during 1978 was somehow linked with the Community's trade agreement. Before the Japan-China trade agreement, the OECD forecast an increase in Japan's exports to China of 194 %, and this projection should be measured against the already healthy level of business with China, that, of course, Japan enjoys.

The performance of Community firms at 88 % is not so impressive, having regard to the relatively low level from which they are developing almost virgin market. The Japanese Export Trade Research Organization (JETRO) in June last year expressed the view that it might be difficult for European countries to expand their exports to China because of China's inability to pay for imports. Accordingly the European share in the Chinese market was expected to decline. At the same time, JETRO said that the strengthening of economic relations between Japan and China was interpreted to mean an unavoidable setback for Western European countries.

Well, nothing that Mr Haferkamp has so far said in this House in previous debates gives me confidence that the Commission or is it the Council? is truly purposeful in avoiding this kind of setback for Community firms which the Japanese trade organization has mentioned. And I would like to say this in view of the statement earlier today from Mr Jenkins: I am not complaining about the Commissioner's emoluments, or his entertainment allowance; I mean, if he is doing an effective job, I would in no way object to this being well rewarded, and I respect what Mr Jenkins said on this subject earlier today.

On previous occasions the Commissioner intimated that I wanted to go too fast in developing the Community's relations with China. But China has favoured European union for more than ten years, and we have been talking about the Community's possible response for the past two years. I have evidence — and this is serious — that the Commission never consulted the Community's specialist organizations concerned with the promotion of trade with China during its negotiations for a trade agreement. This, I think, was unbelievable — and, indeed, unforgivable; an unforgivable omission by the first Commissioner of one of the world's most effective and competent trading nations, the West German Federal Republic. May I therefore ask the Commissioner this: Which organizations and which firms has he consulted, as he promised this House last April — apart, of course, from those individuals and those respected personalities who accompanied him to Peking? I only hope that Mr Jenkins' imminent visit to Peking on 20 February will remedy matters. I wish him very good fortune when he visits China, and I do urge that he pays heed to what I have said this afternoon and also what Mr van Aerssen will be saying this evening.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice President of the Commission. — (D) Mr President, first of all I should like to describe the developments since the Agreement came into force on 1 June last year. When it was signed in April 1978, the Commission was invited by the Chinese Government to visit China. This visit took place from 26 September to 3 October last year. It was the first occasion on which I had headed a Commission delegation which included not only Commission officials, but also the Vice-Chairman of the Economic and Social Committee, representatives of industry, trade, banks and agriculture of all nine Member States of the Community, and a Vice-President of the European Trade Union Confederation. We did this so that it would not just be a formal return visit for the signing of the Agreement, but to bring about contacts with industry and also to demonstrate to our Chinese partners that cooperation between the European Community and the People's Republic of China is very much in the hands of the political, economic and social forces in Europe and is not merely a matter of paragraphs in an agreement. This move was much appreciated by the Chinese.

We had talks with many members of the Government. I should particularly like to mention the very detailed talks a small group of us had with Chairman Hua. In all these talks it became clear how much political and economic importance the Chinese Government attaches to cooperation with the European Community, over and above cooperation with the individual Member States, which is of course continuing. The members of the delegation also had the opportunity to have talks with the members of the government responsible for their particular field, or with the competent institutions or authorities. Throughout the visit there was a very detailed and continuous exchange of views within the delegation. The delegation has met once since then, and we want to maintain these contacts, since we are also interested in the practical outcome in individual cases.

I should like to take this opportunity of saying that, in the talks with the Chinese Ministers for Foreign Trade in Peking on 26 September last year, it was officially stated for the first time that in future China would not only pay for imports with goods or through barter deals or buy-back transactions — although this would continue to be an important form of settlement — but also intended to use the usual methods of international trade with the exception of direct government loans and direct investments. Later some of these statements were further expanded. But that was the first time that there was any indication of the willingness to accept credit facilities. The Chinese Government also confirmed for the first time — and this is impor-

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tant for our economy — that it was willing to see representations of European industry being set up in China. It was pointed out that there were practical difficulties — for example hotel and office accommodation — but they were willing in principle and wanted, as a temporary solution to practical problems, to extend visas so as to make absolutely certain that the representatives of our industry could be there on the spot. This might perhaps be taken for granted now, but on 26 September it was a new and important departure.

We received a very thorough explanation of what the Chinese mean by the four modernizations. It was explained to us how important it was for Europe to participate with technology and know-how, and how important it was in this respect to promote exchanges of people, whether research workers, students, professors, technicians or administrators. We told them that we too attach great importance to this area. We were told that the period up to the year 2000 had been fixed for this great modernization plan. The individual programmes had yet to be drawn up, and this was expected to take about two years. They were also considering making an immediate start on certain basic investments which were in any case necessary, especially in the field of energy and the winning of raw materials. So much for some of the points from the talks which we had in China.

We were able to work out on the spot proposals and ideas for jointly discussing and establishing China's export potential, its wishes with regard to exports and the shape the Chinese Government wishes them to take, and if necessary for helping in this. We spoke about the need for Europe to diversify its energy imports. We discussed the possibilities which might be considered here, ranging from oil to uranium. I stress, however, that initial talks of this kind cannot of course produce solutions, but that we covered a broad range of cooperation possibilities which will most certainly form an important part of the work of the Joint Committee. It is also possible — although this is matter which we cannot decide unilaterally and which we must discuss in the Joint Committee with our Chinese friends — to appoint working parties under Article 9 of our Agreement, and I hope that the participation of our industry will be possible and welcome in this context as well.

We particularly discussed possibilities for supplying the Community with non-ferrous metals. We discussed this not only as a means of China paying for our exports but also bearing in mind that we in Europe — and particularly industrial circles in the United Kingdom — traditionally have wide experience in the international marketing of raw materials. We pointed out that here again there was scope for cooperation to our mutual advantage. Thus we discussed a broad range of possibilities for cooperation

and raised topics which we shall have to continue to deal with systematically.

I should not like to talk of this visit without at the same time mentioning the visit to China of the President of this Parliament, as Mr Jenkins' visit which is due to begin next week.

During our visit to Peking we proposed that we should make places available for students. I must say straightaway that the budgetary resources available to the Community at the moment for this are extremely limited if viewed in the context of the figures which would be desirable and which are certain to increase generally, and that, given the limited nature of what we could offer, the important thing is not so much the number as the fact itself. We offered 20 places in universities, colleges or special institutes in the Community. We also offered cooperation, if desired, in the form of trainee places in public services. This offer has in the mean time been accepted in principle, and the practical details are already being discussed. Like Lord Bessborough, I hope that more will grow from this modest beginning — something which we have in Article 6 of our Agreement, to which I referred earlier, namely contacts between people at all levels from politics and the universities to skilled workers.

In the meantime we have continued discussions with the Member States on organizing a Community exhibition in China, and we hope that this will produce results which reflect the potential of the European Community.

For some time we have been conducting talks on something which is important not only for our Chinese partners but also from the point of view of the particular sector concerned in the Community, namely exploratory talks to prepare the way for negotiations on a textile agreement between the Community and the People's Republic of China. The negotiations proper are due to start next month.

Lastly, we have carried out preparatory work for the first meeting of the Joint Committee under Article 9 of the Trade Agreement. The first meeting will be held in Peking some time between 15 April and 15 May this year. This period coincides with that of the Canton spring fair, so that those taking part will certainly have a chance to come into direct contact with Chinese industry. The Community will be represented on the Joint Committee by the Commission, supported by representatives of the Member States. The Chinese delegation will be headed by the Vice-Minister from the Foreign Trade Ministry, and our delegation by the Director General of the Directorate-General for External Relations. The agenda is currently being discussed in talks with the competent Chinese department.

Lord Bessborough has already referred to some figures for last year's Community exports and imports. There

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was a considerable increase in Community exports to China — in fact, they almost doubled, although it must be said that the initial figures were very low. In the first eleven months of last year — and I shall finish on this point — agreements were concluded between Community undertakings and Chinese institution on exports to China valued at around 2 500 million u.a. These are agreements which have already been signed, so the amount involved in agreements still being negotiated is of course much higher.

President. — I call Lord Kennet to speak on behalf of the Socialist Group.

Lord Kennet. Mr President, on behalf of the Socialist Group I want very much to endorse a great deal of what Lord Bessborough has said. During the interesting reply by Mr Haferkamp, a resolution has been circulated in the name of the three groups to my left, as I sit here, and certain amendments to that resolution in the name of the Socialist Group.

Mr President, would I be in order if I now spoke about that resolution and those amendments even though they have not been introduced, or would it be better if I were to sit down now and wait until they have been introduced and then speak?

President. — I think it would be more logical to take the second course of action, Lord Kennet.

I call Mr van Aerssen to speak on behalf of the Christian-Democratic Group (EPP).

Mr van Aerssen. — (*D*) Mr President, ladies and gentlemen, the Christian-Democratic Group of the European Parliament thanks Lord Bessborough for his question and for the opportunity of holding a debate on China. It also thanks Mr Haferkamp for his situation and the analysis of the present state of relations with China.

However, our group feels that we must now take this opportunity — particularly since the President of the Commission, Mr Jenkins, is shortly due to visit the People's Republic of China — of stressing once again that the European Community must have a clear strategy when it enters into these negotiations and becomes part of this new balance of forces, since it goes without saying that the whole geopolitical structure has changed as a result of the United States' diplomatic recognition of the People's Republic of China.

Mr President I think that any such strategy must take account of the following points. Firstly, what do the Chinese want? If I may, I should like to quote what the new Chinese Minister for Foreign Trade stated on 19 December 1978 in Hong Kong; Mr Haferkamp has also just referred to him. In a speech in Hong Kong he said:

From now on we shall conduct all kinds of business transactions. We can sell raw materials or various kind of finished products. We can export any surpluses we may have. We can manufacture certain products for export only. We also accept barter deals. We are also prepared to enter into agreements on work sharing. Western European countries want, for example, to have car components manufactured more cheaply. This is possible. They can supply either the necessary raw materials or semi-products, our practices will become more flexible and the forbidden zones will be eliminated.

Mr President, that means — and I think Mr Haferkamp has just confirmed this in essence — that the Chinese are obviously prepared to discuss with us the whole range of trading possibilities. This is, I think, a different situation from when the Agreement was concluded, and this is the first point on which our strategy should be based.

Secondly, we must be prepared for some very tough competition, namely from the United States and Japan. I do not think we should wave the spectacular agreement in each other's faces, but we must bear very seriously in mind that in a situation of international worksharing the European Community is faced with a great challenge, and I think that at national level — i.e. the individual countries, such as the Federal Republic of Germany or France or Britain on their own — we cannot cope with the problem; this can only be done jointly. On this point it is very interesting that the Japanese recently grouped together several banks to take up a 20 000 million loan on the Euro-market. The Chinese refused to take this loan in yen and preferred dollars, Deutschmarks and French francs. The interest rate is even said to be 0.65 % higher than that on the London international capital market. I think this shows what a challenge we have to overcome, and we shall just have to face it in fair competition.

Thirdly the Chinese — want as Mr Haferkamp has just said — to achieve in twenty-two years what the countries of our European Community took over one hundred years to achieve. When you are dealing with a nation of 900 million people, this can only be done with a maximum of method, scientific discipline and managerial discipline, which means above all that the European Community must attach very special importance to scientific and technological exchange.

Mr Haferkamp, I was pleased to hear you say — and I think this is the fourth point in my list — that our strategy must be designed to take account of the priorities set by the Chinese themselves, namely the 'four modernizations', and must be closely geared to their list of priorities, namely agriculture, light industry, heavy industry and — as I have already mentioned — science and technology.

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A fifth point, to which I need only refer briefly, is the fact that any policy of the European Community towards China cannot be at the expense of good relations between the Community and Taiwan. On the contrary, I think that this is a good opportunity for the European Community, which is not a great military and strategic power, but is definitely a force for peace in the world, to do something towards balancing the differing interests of these two countries.

Our final point with regard to the strategy Mr President, is that the European Community must take advantage of this in its external policy also. We are an economic giant but we have forgotten how to speak with one voice on this important question.

In short, what form must our strategy take? The motion for a resolution which we have put before the House and which, I hope, will be approved by the various groups, lays down three aims: let me deal firstly with the fields to be covered.

One of these fields is in our view long-term technological cooperation. Above all we are thinking of joint ventures and production sharing, as well as the winning of Chinese raw materials and the involvement of small and medium-sized undertakings in the process which is now getting under way.

Secondly, the institutional aspect of this strategy. In our view, a standing conference of the European Community with China must be set up to conduct a permanent dialogue on all the basic questions. Of course a conference of this kind — and Mr Haferkamp has already hinted at this, if I understood him correctly — can be supplemented by specialist committees and other bodies and by committees of experts. I think that we should try to achieve this institutional consolidation. In our view, this would also mean that the European Community would set up a mission in China to serve as the coordination and organization centre for these institutional arrangements.

Thirdly, we consider it very important, with regard to this strategy, that all these questions and considerations should be strictly subject to the parliamentary control of the directly elected European Parliament. We therefore wish to see an annual situation report such as the one Mr Haferkamp has just given us in brief. We should like to have such a report regularly. We should also like this to be duly discussed and expanded in the committees.

Mr President, I should like lastly and briefly to refer to some central issues which we should like Mr Hafer-

kamp and Mr Jenkins to bear in mind when they soon have to try to put this strategy into practice.

One point is that the Chinese are obviously prepared to accept the proposal for cooperation between Chinese and European firms in the form of joint ventures and production sharing, since I assume that the Chinese offer to allow a 49 % foreign participation in Chinese undertakings — after the example of Yugoslavia — must be taken seriously. When it comes to production sharing — i.e. commission processing, co-production or even having the manufacturing plants supplied by us paid for by the finished products which the Chinese manufacture — it can only be successful, Mr Haferkamp, if we have a framework agreement or code laying down how this is to be done. If we leave all these problems to the individual national governments — it is immaterial for the moment whether it is the German, French or British Government — it will lead to a vast number of disputes and appeals. We need a code of rules. We need negotiations to lay down clear-cut and fair rules of conduct for everybody.

A second important range of problems, Mr Haferkamp, is bound up with the fear — and I should like once again to lay particular stress on this — that there will now be a race between the national governments in loans, conditions, interest rates, etc. In 1978 the Federal Republic of Germany concluded a framework agreement with China to the value of 4 000 million marks. Italy has concluded an 8-year agreement to the value of 1 000 million marks at an interest rate of 7.75 %. France concluded a 10-year agreement at 6.5 %, because in the meantime the Japanese had reduced their interest rates slightly, and today I read in the British papers — and I quote today's *Financial Times* — that the United Kingdom Government is apparently in the process of concluding an agreement to the value of 10 000 million marks.

At the moment I have no means of checking how true all this is. But there is just one thing we must bear in mind: on 31 December 1974 the Council passed a Decision transferring the competence for concluding trade agreements to the European Community. I would ask you, Mr Haferkamp, whether we are at all justified in allowing so many national agreements to be concluded despite the fact that Document 74/73 of the European Community stipulates that this should be a matter for the Community and not the Member States. I think it is high time that the Community, acting under Article 112 of the EEC Treaty, assumed its rightful responsibility for these agreements.

Another problem we should discuss, Mr Haferkamp, is what when it comes to putting the strategy into prac-

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tice, more and more people both in industry and in the trade unions are wondering how China intends to finance its new long march. There is no need for us to quote each other the figures for financing requirements and shortage of capital; I think these figures are well known. What seems important to us as Christian Democrats is the conclusion that the proposed European Export Bank might be able to create scope for long-term involvement, since I can see — and I can say this from the German point of view — that more and more industrialists and undertakings operating in China would like to have State export guarantees and export sureties. If we simply allow things to carry on as they are, this will lead to renewed competition between the individual countries, and I therefore think that we should now bring this instrument of the European Export Bank decisively into operation.

I should like to finish by stressing once again on behalf of the Christian-Democratic Group that this long-term trade and the long-term compensation transaction with China, which will certainly involve not only buying and selling but also spiritual values — I think that the Chinese rightly attach especial importance to this, since there must be no mercenary pettiness in dealing with this subject, but rather all the cultural values of the two great regions of the world must also be involved — can only work if the European Community not only gives and finances loans but also opens up its markets. But that in turn means that we must be flexible on certain points. I must say that the European Community's import and quota policy to date and the admission of the 712 items of the Common Customs Tariff are not enough. If we do not do more in this respect, I think we shall fail to find the right opening, and the result will be permanent international worksharing between the European Community and China.

President. — I call Mr Pistillo to speak on behalf of the Communist and Allies Group.

Mr Pistillo. — (*I*) Mr President, I shall be very brief, partly because Parliament has already discussed this important problem of relations between the European Community and China not long ago. I think it is good that Parliament should from time to time be called upon to concern itself with relations with China. After so many years of silence with regard to that huge country, it is right that our attention should be turned towards it. What Mr Haferkamp said is interesting and shows us that the right road is precisely that which involves establishing the closest possible relations between the European Community and the People's Republic of China.

Indeed, in the last few weeks the question of China's relations with the rest of the world has engaged as one of the dominating themes of current international politics. This is obviously reflected in this debate, and in the need, noted by our colleagues, to put down a motion for a resolution on the subject, which has our approval and for which we shall vote.

I should like to stress one point only. Mr Haferkamp made no reference to the problem of possible conditions or indications on the part of the Chinese with regard to relations between Western Europe and the European Community on the one hand, and the Eastern European countries, especially the Soviet Union, on the other. I deduce from this that, in the meeting which the Commissioner had in Peking with the Chinese leaders, probably no mention was made of this problem. At all events, I should like to express an idea which could well be inserted in the motion for a resolution, namely that the intensification of our relations with China, which must be pursued with the greatest possible commitment, and of which we approve, must not for a moment be regarded as a way of diluting — intentionally or unintentionally — our relations with the countries of Eastern Europe and the Soviet Union in particular.

The previous speaker is concerned about Taiwan. I am much more concerned about relations between Western Europe and the Soviet Union and other socialist countries, which in my view represent a serious problem, especially in view of what emerged in the course of Deng Xiaoping's visit to the United States of America — a visit on which I shall not dwell because the position adopted by one of the leading figures of the People's Republic of China is well known to all.

In conclusion, then, Mr President, let us go on in the most open and sincere way possible with this policy with which we agree, while at the same time safeguarding and preserving as forcefully as possible the relations which we already have with the countries of Eastern Europe and the Soviet Union in the context of an intensification of trade relations, détente, and international cooperation, which must be the fundamental guideline for the whole of Community action.

President. — I call Lord Kennet to speak on behalf of the Socialist Group.

Lord Kennet. — Mr President, in 1974 let us not forget how this all began, China was the only one of the State-trading countries to answer in a positive way a general call made by the European Community to the State-trading countries to enter into trading agree-

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ments with us. I think this is something which should dominate all our thoughts about this agreement. In so far as we ourselves value the EEC as an instrument of trade policy, then we must historically accord China a special place in our picture of the outside world because of the way they answered our original call.

I am speaking now for the Socialist Group, and I wish to state what I think is well known to everybody that we, as a group, wish to maintain good political and economic relations with all countries in the world irrespective of their domestic political structure. We want correct relations and a high level of mutually beneficial trade with China, as we do with other countries.

Yesterday, Mr President, some of us debated the present dangers in Africa and in Indo-China. The Socialist Group entirely agrees with the general direction of the draft resolution which is before the Chamber, but I should like again to make it clear that we would agree with that general direction whether or not there were difficulties for the West and for those continents in Africa and in South-East Asia whether or not there were difficulties on SALT, in the mutual and balance force reduction negotiations and in the continuing contacts in CSCE. The friendship we feel for China and our desire for increased trade and general relations is not a function of anything we may feel about the Soviet Union. The tension between China and the Soviet Union was not engineered by the West; it is not in the interests of the West, and it is not being kept alive for the benefit of the West year after year in the cruel and dangerous way that it is. Nor, I should add, could China become equal in military might with the Soviet Union for many long decades, with or without any arms which we might sell them.

So much, I think, is quite obvious to anybody who has studied the figures. But one cannot make it too clear that this is the case especially in a time of relatively unstable American policy.

Now, Mr President, I am not quite clear why a resolution is needed at all at the end of the debate on this interesting and well-conceived question. The trade agreement is there. President Jenkins is going to China next week. I join with other speakers in wishing him a useful visit. The Joint Commission to be set up under the agreement is — Commissioner Haferkamp has just informed us — to come into existence between the middle of April and the middle of May. This is all good news. I do not find that the long resolution we have before us is really an urgent matter, nor is it one on which we should especially expect an early vote. But in view of the great diffi-

culties which arose earlier today because of the difference of opinion on when a vote should be taken about events which are now some time in the past, I would certainly not seek to deny the Christian-Democrats and the Conservatives a vote at the right time on their resolution. That being so, I have put down some amendments in the name of my group. Perhaps when the other groups have had time to consider these amendments and what I shall say in explanation of them they might find that the amendments were not something on which they would wish Parliament to divide. We do not differ in our general direction, and this is not a matter on which I would be happy to see Parliament divided in a vote.

Let me now speak about the resolution we have before us and the amendments which I propose. There are three amendments. I would like Members present to check that they all have them please; there has been a little confusion in the distribution. Three amendments, tabled by Lord Kennet on behalf of the Socialist Group. The first two I need not concern myself with: they are matters of detail and, I think, are quite obvious to everybody.

Amendment No 3 deletes quite a large part of the draft resolution before the Parliament and seeks to replace it by two short paragraphs. Now I would like to take a minute to explain this apparently slightly extreme action towards this resolution. It seems to us that the main point of the resolution is contained in the preamble, which we fully endorse, and in the first paragraph, which we also endorse. After that it begins to go into a degree of detail which we in the Socialist Group are simply not quite sure about. We only saw this yesterday. The second paragraph of the resolution, which I seek to delete, calls for the establishment of a standing conference of representatives of China and the EEC in addition to the mixed commission to be set up under the agreement. Now, it may be a good idea to have a standing conference. I do not know what it is. I do not believe the authors of the resolution are all perfectly agreed on what it is. It sounds to me like a body of 300 people meeting every week: it could mean that. It could mean something much smaller. I hope that the authors of the resolution might consider not pressing this particular paragraph on the Assembly. We could debate it later on and come back to it as a separate subject after more warning.

The third paragraph calls on the Commission to set up the Joint Committee under the agreement. This we fully support in the Socialist Group. Indeed, we go further and we seek to replace it with another paragraph which specifically says that this mixed committee should have appropriate working groups. I know this is something very dear to the heart of Lord Bessborough, among others. He does not actually

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mention it. We would like to go further than him, within the framework of the treaty which is there.

Paragraph 4 of the resolution, and paragraph 5, both speak of what are in effect joint ventures between European industrial and commercial enterprises and Chinese enterprises. They speak of what is in effect Community or State help to European enterprises to assist them to get into joint ventures with Chinese enterprises. They call up a picture of a very advanced degree of penetration of the Chinese economy by European enterprises. Now, once again this may be a good idea, or it may not. We in the Socialist Group just do not know. We would like time to think about it, and we believe it is going too far ahead in too much detail at the moment. We do not even know if such an idea would be in the least welcome to the Chinese. And I would hate this Assembly to pass any details of this sort which turned out to be unwelcome to the Chinese. Why should we? Things are going very well. Let us not risk rocking the boat with a load of excessive detail.

Paragraph 6 lays stress on the importance of the Community obtaining energy and raw materials — that is energy sectors and raw materials — from China. Once again, this is no doubt a very good idea, but to single it out in detail in a resolution seems to us perhaps to be going a little far. Then, after that, we begin once again to agree with what is there — oh yes, except for one particular detail, and that is where the resolution calls for the setting up of a delegation in Peking responsible for diplomatic representation of the European Community. Well, this is a very big step indeed: diplomatic representation of the Community. I do not believe we have that anywhere in the world: not in Washington, not in Madrid, and I think to ask for it first of all in Peking is really a little bit unrealistic, and perhaps second thoughts might be had among our friends in that half of the Assembly.

With the last provisions of their draft resolution we entirely agree, and are happy to endorse them without amendment. Now, Mr President, there is just too much detail, so I would ask them: is there any part of our amendments which they could accept? We have after all until the next sitting day, as we all remember after this morning's dust and bloodshed, to decide on this matter. I would ask them to think it over overnight.

On the larger view, the Commission has recently produced an extremely instructive and indeed rather shattering study on the effects of buy-back arrangements with Eastern European State-trading countries. The findings of this study are quite alarming. I hope

that we may be able to discuss this at Question Time quite shortly, and I would urge upon Commissioner Haferkamp at this moment the need to avoid that sort of situation arising in the far future with China. Can we keep a sharp eye on buy-back arrangements as Euro-Chinese trading patterns develop in the large and mutually beneficial way that I hope they will and I am sure they will.

Mr President, it is once again one world and I think this short-lived Assembly — in the sight of history our twenty years of existence is a moment — this short-lived Assembly should rejoice in its dying days at the fact that the world's oldest, unbroken literate civilization is once again, or perhaps even for the first time, in full touch with our own.

Mr President. — I call Mr Jahn.

Mr Jahn. — (*D*) Mr President, ladies and gentlemen, I should basically like to add to what has already been said by drawing your attention to a few aspects of the political background of our relations with China. China's policy towards Europe has not changed in the course of the 70s. The characteristic feature of current relations is that China is emphatically in favour of the European Community and further unification within this Community. What this means for the countries of Western Europe is that, after establishing diplomatic relations with most Western European States in the years after 1970, China has shown itself to be a supporter of a strong and unified Europe whose prime task from China's point of view is to counteract the hegemonistic aspirations of the superpowers. This is what I conclude from many analyses of Chinese foreign policy.

China is in favour of the strengthening of the European Community with which, as we have heard, it signed a five-year non-preferential trade agreement on 3 April 1978. As the Commission said the conclusion of this first trade agreement between the Community and the Peoples Republic of China, apart from having favourable effects on trade, is of far-reaching political significance since it constitutes evidence of the most tangible kind to demonstrate to the public the excellent relations between the Peoples Republic of China and the Community. This is the Commission's view, with the accent on the political aspects. Furthermore, the European Community and China have agreed in principle to conduct friendly talks on all issues. In exceptional cases which demand swift action, however, each contracting party may take measures but should sound out the other party before doing so.

Jahn

Ladies and gentlemen, at the scientific conference which met in Peking in spring 1978, an eight-year plan was adopted which contained ambitious development targets, including over 100 major projects, the realization of which depends upon the achievement of scientific policy objectives which were also defined on this occasion. As we know, China has its own ancient scientific tradition which was responsible for remarkable results and major breakthroughs, including inventions such as paper, which all of us here have so much to do with, the compass, which we rely on to find our way when travelling by sea, and printing — in many cases long before similar things were invented in Europe.

However, I should like to make one more political observation. Western and European policy must first and foremost be based on the assumption that there is basic agreement between China, NATO and Japan on an important matter. All three are afraid that the massive arms build-up of the Soviet Union will disturb the balance of power in the world. These fears are not exclusive to NATO, they have been voiced by all the parties in the German Bundestag. I realize that opinions may differ as to the methods we might use to maintain a balance of power and hence peace. The West favours disarmament and détente. China has always warned against this approach and so far — from an objective point of view — it has always been right. We were discussing this yesterday. In spite of years of laborious negotiations, the Soviet Union has continued and accelerated its disturbing arms build-up,

The Chinese leaders have now adopted a new policy. It is true that they will continue to criticize the West and Moscow, but at the same time they intend to play an active part in maintaining the threatened balance of power. The new strategy adopted by China undoubtedly stems first and foremost from internal interests and national objectives, but it nevertheless also corresponds to security needs which are not exclusive to China. A prominent visitor from Peking made this clear in Bonn last week when he said that, in his view, a strong China would be in the interest of the people of Germany and of Western Europe in general. It must be reassuring, he said, to know that there is someone keeping a firm hold on the tail of the dragon which is threatening peace in Europe. These were the political considerations which I wished to bring up in this debate.

President. — I call Mr Haferkamp.

Mr Haferkamp, Vice-President of the Commission. — (D) Mr President, I am sure that this is a matter which we will be discussing further in the very near future, firstly in the Committee and then probably after President Jenkins has been to Peking, and no doubt also in connection with the work of the Joint Committee. I should therefore merely like to make

two remarks which strike me as of particular importance, as they relate to particularly important points.

Firstly, the question of coordination of the line taken by the Community itself. We have already frequently stressed most emphatically to the Council of Ministers that we should not get in each other's way by trying to outbid or undercut each other, but rather that we should cooperate particularly in view of the fact that we are going to have to contend with stiff competition from both Japan and the United States. We will continue to deal with this matter with the seriousness advocated by the honourable Members.

Secondly, the question as to whether our relations with China will have repercussions on our relations with others. When we signed the agreement in April last year, we stated that it had been entered into in spirit of cooperation, that this cooperation with China was not directed against anyone else, and that our offers of cooperation, with which everyone is familiar — including our 1974 proposals — still stand. All subsequent discussions with China on matters of policy have been conducted in the light of these considerations. Our cooperation is not directed against anyone.

President. — I call Lord Bessborough.

Lord Bessborough. — Mr President, I would like to thank Mr Haferkamp for the considerably detailed reply which he gave to my question, and I am very glad that President Jenkins is going to Peking so soon and also that the Joint Committee will in fact meet between April and May. I won't make any further comment on the Commissioner's own remarks, but I would just like to comment very briefly on the amendments put forward by Lord Kennet.

I must emphasize at the outset that this resolution — I know it is fairly long and detailed, but it has been adopted after very considerable discussion, and not only by the Christian-Democratic Group and by the European Conservative Group but also, as you will see, it is supported by the Liberal and Democratic Group and I am afraid that — and I am sure I am speaking for Mr van Aerssen and the Liberals — we do stand by our resolution. Although we have not specified the exact membership of the proposed standing conference, I have discussed this in some detail during previous debates and I have also discussed it with the trade councils — the Sino-British Trade Council and similar bodies in other countries and it is thought that some such body, the details of which I have given in previous speeches — I won't now — is desirable. Paragraph 3 is on the Joint Committee, which of course, Lord Kennet accepts. We stand by paragraph 4. Also Lord Kennet said that I had not mentioned the working groups; these are in fact mentioned in paragraph 5: establish working-parties and advisory groups, etc. We also stand by energy and raw materials

Lord Bessborough

in paragraph 6, which we think are going to be extremely important in balancing our trade with the People's Republic. We would like representation of the Community in Peking in the same way as the Chinese People's Republic has representation in Brussels, whether we precisely call it diplomatic, on that I am prepared to yield; I am not absolutely certain, but it is representation similar to that which we have in Washington and similar to that which the Chinese have in Brussels.

Therefore, on behalf of the three political groups, I am afraid, Mr President, we must stand by our whole resolution and not delete these parts proposed by Lord Kennet. Although I do appreciate Lord Kennet's very friendly attitude on this and I know we are working in the same direction; we have been thinking these problems out in some detail and therefore the three groups concerned do stand by our resolution.

President. — I have received from Mr van Aerssen on behalf of the Christian-Democratic Group (EPP), Lord Bessborough on behalf of the European Conservative Group and Mr De Clercq on behalf of the Liberal and Democratic Group a motion for a resolution with a request for an early vote, pursuant to Rule 47 (5) of the Rules of Procedure, to wind up the debate on this oral question.

I shall consult Parliament on this request for an early vote at the beginning of tomorrow's sitting.

The debate is closed.

The proceedings will now be suspended until 9.15 p.m. The House will rise.

(The sitting was suspended at 8.20 p.m. and resumed at 9.15 p.m.)

IN THE CHAIR: MR MEINTZ

Vice-President

President. — The sitting is resumed.

13. *Regulation on intra-Community trade in power-station coal*

President. — The next item is the report (Doc. 582/78) by Mr H.W. Müller, on behalf of the Committee on Energy and Research, on

the proposal from the Commission to the Council for a regulation on Community financial measures for intra-Community trade in power-station coal.

Since the rapporteur is not in the Chamber, I shall call Mr Veronesi to speak on behalf of the Communist and Allies Group.

Mr Veronesi. — (I) Mr President, we have thought carefully about the motion for a resolution submitted to us, and on the explanatory statement accompany-

ing it. We have also examined with equal care the Commission document to which it refers.

The problem is certainly not one which can be dealt with in a superficial or hasty way, especially given the present international political situation — I am thinking of Iran and the question of oil supplies.

A debate on energy sources and security of supplies of energy raw materials against the background of the dramatic events in the Middle East calls for reflection, common sense and a great deal of realism — a realism which does not permit any, even cautious, optimism about the future and which requires, even more than in the past, an assessment of the chances, if not of self-sufficiency, then at least of self-defence and of minimum dependence on third countries.

This introduction is intended to reassure you that we are not tackling this subject lightly or narrow-mindedly. Our position follows from our careful assessment of all the circumstances surrounding the problem. Moreover, this subject is not new and we have already debated it on other occasions.

Taking all this into account, we cannot change our position or our attitude. We oppose the proposed measures and will therefore vote against them.

Since our position arises from an assessment of a general and fundamental character we have not thought it useful or desirable to table any amendments to the motion. It is the way in which the problem is assessed and the basic criterion applied which fail to convince us and with which we cannot agree. In the first place, we regard as dangerous the basic approach to the problem itself: in the Community context, what can be the significance of an aid in favour of coal such as the one proposed here? Will it not perhaps constitute a precedent which will weigh heavily on any productive sector which might find itself in trouble in the future? Is it enough to invoke the special nature of the energy problem in order to accept the conclusions set out here? For various reasons, on which I shall dwell briefly later, I think not. But I wish essentially to refer to the discouraging experience in the agricultural sector — extremely discouraging, since 1979 saw the postponement of the introduction of the European Monetary System mainly, although not exclusively, because of the conflict over the existence of the monetary compensatory amounts. Are we now thinking of creating similar mechanisms in other sectors? I do not think that the precedents are encouraging. Some structures, once created, cannot be dismantled, and survive by inertia, often serving as unfortunate models for similar structures by an insidious process of proliferation. This — as we have already said on other occasions — is the basic reason for our opposition, but there are others, one of which I wish to mention here. The first is the slowness of the Community energy policy. In the previous part-session we heard frank criticisms of this by

Veronesi

Mr Brunner himself. It is the overall framework which is unsatisfactory, and this morning, too, no fewer than three speeches on Mr Jenkin's report touched on this question and criticized the situation. So there is no justification for this approach, given the reality of the Community's active policies.

The second reason I wish to mention is that the concept of security of energy supplies is objectively badly formulated, firstly because economic tensions and political complications on the many coal supply markets do not exist today and cannot reasonably be foreseen, and secondly because Community production of this raw material is virtually constant and lacks flexibility.

As a third and final reason for our opposition I wish to mention the problem of market prices. Of course, we are not — this is well-known, and I am sure you will pardon the expression — 'vestal virgins of the market economy', but costs are an objective reality which we constantly have to face and of which we want to take account. The present cost situation is such that it is almost impossible, at least for many countries in the Community, to try to ignore it. We are well aware of the general situation; we have no difficulty in understanding the considerable problems of Members from the other countries interested in this question which have large coalmining industries. We are prepared to study solutions which are not contingent or partial, in the overall context of the prospects for Community energy policy, but for reasons of consistency we cannot accept what is proposed here. For this reason — I repeat — we shall vote against.

President. — At his express request, I call the rapporteur, who has now come into the Chamber.

Mr Hans Werner-Müller, rapporteur. — (D) Mr President, ladies and gentlemen, I must apologize for arriving late for this debate. I came upstairs as soon as I heard the bell, but the sitting had already been resumed. This will give me a chance of commenting briefly on Mr Veronesi's objections.

Mr President, ladies and gentlemen, it is my task to present to this House my report on the proposal from the Commission of the European Community to the Council for a regulation on Community financial measures for intra-Community trade in power-station coal.

If proof were needed of the justification for the present discussion, or if any explanation were necessary of the problem facing us, this has already been given today in this House in the debate on the Twelfth General Report of the Commission of the European Communities on the activities of the Communities in 1978 and on the presentation of the programme of work for 1979. Thus, my honourable colleague Mrs Walz, Chairman of the Committee on

Energy and Research, explained earlier today that developments in Iran had created a situation that was as yet difficult to assess. Mrs Walz said among other things — and I should like to stress this here most strongly — that the oil surplus, which had given many people the impression that the Community had no serious problems in the energy sector, had now suddenly ceased to exist. Those were Mrs Walz's exact words. We thus do have serious problems. This gives all the more weight to the Committee on Energy and Research of the European Parliament in December last year that optimum use must be made of the Community's own energy resources.

The report I am presenting to this House today fits in perfectly with these comments. Last year, Mr President, we had a lengthy debate on the Commission's announcement that it intended to put forward a regulation on power-station coal. This communication gave rise to the report by Mr Ibrügger which was adopted in the July part-session of this Parliament.

The report I am presenting today now comments on the proposals the Commission has meanwhile put in concrete form. In the coal sector, as we all know, the Commission has hitherto put forward a number of measures, comprising in particular three points — this is sometimes called the 'Brunner package'. Firstly there is a system of aid for the construction of new capacity in coal-fired power stations, then the improvement and if possible extension of the coking-coal scheme that has proved its worth since 1967, and the proposal for an aid scheme for intra-Community trade in power-station coal that we are discussing today.

Mr President, ladies and gentlemen, it has been said time and again in this House that in its coal industry Europe has a trump card, the value of which, particularly for the medium and long term, is constantly increasing. The scheme proposed by the Commission thus represents a particularly sensible and promising means of helping the Community mining industry to overcome the present lean period. All these proposals, ladies and gentlemen, are now before the Council, and I think the Council would be well advised to come to a decision in the near future, since the original production target of 250 million tonnes recommended by the Council no longer seems realistic in view of the mine closures now in progress. The actual trend is thus contrary to the oft-repeated objective of maintaining production capacity as the basis of a medium and long-term energy strategy.

To be quite frank, the situation regarding coal imports from third countries was a tricky problem in this report, and I should like to quote here paragraph 9 of my motion for a resolution, which says that the European Parliament

is aware that there is a relationship between increasing intra-Community trade and limiting cheap coal imports from third countries.

Werner-Müller

We in the Committee on Energy and Research have here found a form of words which also serves to interpret what I regard as the rather ambiguously phrased explanatory comments in the Commission document. I am thinking in particular of the second half of page 3 in this document. There is no question here of any protectionist measures or of demanding such measures; it is a matter of drawing attention on the one hand to the long-term significance of coal imports for energy policy, and on the other hand to the need to compensate for the cost disadvantages of Community coal. Paragraph 9 is thus an expression of this state of affairs.

I should be very grateful, Mr Brunner, if the Commission would consider its refusal to accept the original wording of paragraph 9 of this motion for a resolution at the last meeting of the Committee on Energy and Research. Admittedly, the wording proposed then was rather stronger and put the problem rather differently. There is, of course, a dilemma in deciding between on the one hand the Community's own secure coal supplies, which are comparatively expensive, and on the other hand opportunities for cheaper imports from third countries. It must also be remembered, however, that imports from certain third countries are increasing at a very appreciable rate, and this is a cause for concern, particularly on account of the poor social conditions under which coal is mined in these countries. We are naturally all agreed that, with the conclusion of long-term supply agreements, this relatively cheap third-country coal can be an important factor in a Community energy policy. It must not, however, constitute too great a threat to the role of our own coal. This is, I admit, a dilemma, and it is this dilemma that the Commission proposal in a sense attempts to solve with a plan which essentially consists of just five points.

Firstly there is the flat-rate subsidy of 10 u.a. per standard tonne, secondly the limitation of this subsidy to a yearly maximum of 10 million standard tonnes — I do not wish to go into details here and thirdly the provision for the subsidies to be granted by the Commission to the mining companies which produce hard coal in the Community. Fourthly, the scheme is to run for three years, and fifthly these subsidies are to be financed from the Community budget under the terms of Article 235.

Allow me to raise one particular problem. As long ago as 1974 the Commission announced it would be presenting a report on safeguard measures in the coalmining sector. That was in 1974. It is high time we had this document. That is the point of paragraph 11 of my motion for a resolution which says that the European Parliament

'requests the Commission to draw up a report without delay showing what safeguard measures it proposes to take in favour of Community investments in the coalmining industry.'

Mr President, this proposal put forward by the Commission is concerned with maintaining 10

million tonnes of production capacity in the Community. Besides the very important contribution to securing Community energy supplies, this is also a question of making an equally important contribution to employment policy in the Community, as it means maintaining some 15 000 to 20 000 jobs for those directly employed in coalmining and a further 30 000 to 35 000 jobs which are indirectly dependent on mining.

In conclusion, Mr President, I should like to draw attention to Article 9 of the Commission proposal, where we propose a small amendment. Paragraph 1, sub-paragraph 2 of the Commission text should read as follows:

In urgent cases the Council may, however, on a proposal from the Commission, make the adjustments at other times. In such cases the European Parliament shall be informed without delay.

I think there is hardly likely to be any objection to this.

I would ask the House to approve this report and thus put increased pressure on the Council finally to take some action on this whole question.

Ladies and gentlemen, the controversy within the Community about the Community's own coal is only to a very small extent a party-political dispute; it is much more a dispute between coal-producing countries on the one hand and those countries in the European Community which have no coal of their own. This question thus puts a particularly heavy strain on Community solidarity. While Mr Veronesi made a comparison in his speech with agricultural policy in the Community, I think there is a certain confusion of magnitude here. Should the Commission proposal be put into effect, it would involve 100 million u.a. That is only a fraction of what is spent on the agricultural policy. In view of the current energy situation, solidarity is the only choice open to us in the Community. And this, I think, is what the people of Europe expect.

President. — I call Mr Ibrügger to speak on behalf of the Socialist Group.

Mr Ibrügger. — (D) Mr President, ladies and gentlemen, I should like to thank Mr Müller most sincerely for his report on the Commission proposal on intra-Community trade in power-station coal. We too support this proposal and join in calling on this House to approve it. We regard this as a way of further developing the small contribution safeguarding the Community's energy supplies to which Mr Brunner referred to at a recent part-session. I hope that this — which is already, together with the other proposals, known as the Brunner Package — will enable us to achieve our production target of 250 million tonnes of coal. The Commissioner's annual report, which we have just received, reveals something of a gap between the aims and the realities of our current energy policy. According to the report there has been little change in production levels and imports.

Ibrügger

Stocks of coal, on the other hand, have continued to increase, and have now almost reached unmanageable proportions. This situation has had an adverse effect on the financial performance of the Community's coal industry, the only exception being the United Kingdom. The chances of Community coal playing its rightful part in our long-term energy supplies are increasingly at risk. We are told that these problems were discussed in depth at the meeting of the Council on 21 December, when the Council reaffirmed its belief that coal had an important part to play in the Community's energy policy. Unfortunately the Council was unable to reach agreement on the need for the Community aid proposed by the Commission. One wonders how long this conflict between aims and problems involved in their realization can go on. Therefore, while we support this proposal, we must once again stress the imponderables and reservations affecting the chances of its reality.

We feel this should prompt us to think again about the aims and effectiveness of energy policy within the Community. What happened to the 1975-1978 Medium-term Guidelines for Coal? The aim was to reduce our dependence on imports and to halt the decline of the Community coal industry. But between 1973 and 1977 our imports of coal increased from 30 to 46 million tonnes, with South Africa taking over from Poland as the Community's principal supplier. Over the same period — 1973 to 1977 — Community coal production fell from 270 to 240 million tonnes. The feasibility of the present proposal is also, for various reasons, doubtful. These reasons include — now as ever — the question of whether producers and Member States are willing to stump up the necessary finance. Secondly there is the question of whether a subsidy of even 10 EUA per tonne might be interpreted as discrimination against third countries in view of the fiction of a 'free' market in coal. What is there then to stop these countries likewise introducing state subsidies and cutting prices to enable them to remain competitive on the European market?

Thirdly, to what extent should we, having regard to this proposal, once again tackle the basic question of seeking agreement on price policy, which is expressly mentioned in the 1975-1978 Guidelines for Coal? The safeguard measures which were expressly mentioned in 1975 — and let me stress that what I am talking about here are safeguard measures and not protective measures — were, according to the Commission in office at that time, intended to reduce the level of imports or at least prevent the kind of dumping which results from the fact that the South Africans can exploit thousands of black workers so as to sell their coal at a price which is competitive on the European market.

Another reason why we are grateful to Mr Müller for taking this initiative is that we are convinced that the problem of South Africa cannot be judged simply by reference to prices and the state of the market. We feel that no political considerations can justify viewing this problem in isolation from the Community's overall commercial policy. Black workers, who earn a good deal less than white workers and whose earnings are often below subsistence level, have to mine coal under the most appalling conditions so that the results of their labours can be sold at a very 'attractive' price here in Europe.

The European Confederation of Free Trade Unions recently issued an impressive and explicit statement which contains the words: 'We certainly find it disgraceful for the Community to import coal produced under the most inhuman conditions.' We think that the example of South Africa should be given due consideration in deciding basic trade questions in the energy sector. We have a duty to investigate every means of guaranteeing our future energy supplies, and in this context our indigenous coal is an extremely important resource.

We stand by the view which we expressed a few months ago in this House, that it is inconsistent to build up a secure and efficient Community industry at great cost, and then to allow it to be undermined by our competitors who employ cheaper and non-union labour under appalling conditions. We said then and we say again today that this criticism applies particularly to South Africa. Ladies and gentlemen, the Socialist Group supports this proposal. We also hope that, as a result of our work on this proposal, we shall continue to stand four-square with the Commission in getting these objectives accepted by the Council of Ministers and, secondly, that all the ideas which have been put forward over the years in connection with coal, commercial and competition policy will be taken up again, so that we can in the future make real progress in this important field of energy policy, rather than harping on what we should like to achieve without actually changing the *status quo*.

President. — I call Mr Vandewiele to speak on behalf of the Christian-Democratic Group (EPP).

Mr Vandewiele. — (NL) Mr President, ladies and gentlemen, I should like to begin by congratulating Mr Müller on his outstanding speech. The Christian-Democratic Group is proud of Mr Müller's achievement in presenting a report which we can support in every respect. He has rightly pointed out the need to devote special attention to maintaining Community coal production at a minimum of 250 million tonnes per year.

I come from an area where, a number of years ago, we were faced with great difficulties when a number of mines were closed. We had no way of foreseeing then that, at this late hour in February 1979, we would be talking about maintaining and perhaps even increasing the present level of coal production. It is perhaps a lesson for us politicians that we all too frequently take important decisions which will affect a large number of people without knowing what consequences our decisions will have. The present energy crisis and the serious problems in certain oil-producing countries have suddenly highlighted the continuing importance of our own energy reserves and of our own Community coal industry.

This morning Mr Henkins, replying to questions on a number of aspects of energy policy, said that our proposed energy policy was doomed to failure if those nuclear power stations which had been in the pipeline for years were not in fact built. He widened the scope of the debate — I do not intend to follow his example this evening — by saying that the question of coal production could not be viewed in isolation from the question of other energy sources. But, he continued, there was increasing anxiety among the population at large. The Commission had to do everything in its power to solve the safety problems. He referred to the fact that 35 % of the Community's entire research programme is already devoted to the problem of radioactive waste and the safety of nuclear power stations.

Mr Müller rightly drew our attention in his report — I did the same, incidentally, in a report I drew up on behalf of the Committee on Energy and Research — to the continuing need to consider the employment aspect of this important sector. He gave some figures which I should like to repeat here. In the 12 months up to November 1978 the number of registered miners in the Community fell by 11 000, although 357 000 people are still employed in Community coal mines. It is important that the public be made aware of this fact. Most people do not realise that almost 400 000 people still earn their living in the mines: 185 000 in the United Kingdom, 120 000 in the Federal Republic of Germany, 35 000 in France, some 18 000 in Belgium, 200 in Italy and 400 in Ireland. The reduction in these numbers is partly due to continuing rationalization in the industry, which as resulted in an increase in output per manhour. This is something we welcome, because rationalization also means improved working conditions. Our Group — and, I hope, the whole House — supports the steps that are being taken to modernize the mining industry. Far too little is known still about conditions in the industry.

Not so long ago, I saw some shocking pictures of conditions for miners in America — conditions which

I think we here in Europe would no longer tolerate. The miner's lot is still a mystery to most people in the European Community. We have a duty to point this out, but I shall not go into this just now.

I should like to put one question to Mr Brunner regarding a number of problems which have arisen in my own area. I am referring to the nuclear power stations at Gravelines. A few days ago, the French President announced that the construction of nuclear power stations would have to be speeded up, including those at Gravelines near Dunkirk, where the first power station is to start up in a few days' time, and where I understand another three are under construction. In other words, we are going to have here a whole nuclear complex.

Local environmentalist groups have pointed out that this complex will release 260 000 m³ of radioactive gas per hour. Liquid waste is to be discharged into the sea. Official calculations show that the danger zone is likely to extend to 60 kilometres, which means that Southern England and part of Western Flanders will be affected.

I now come to a question which my colleague in the Socialist Group, Mr Müller, put to the Commission some time ago. He asked the Commission what plans it had to protect citizens of the Community from pollution across national frontiers, and what legal instruments were available to deal with such cases. The Commission replied that an EEC Regulation of 1968 and a Court of Justice ruling of 1976 had established the principle that complaints could be lodged against a party from another Member State, and that a judgment delivered in one country could also be applicable in another country.

My question is therefore as follows. Can the Commission tell us whether, in view of the international nature of this problem, it has taken steps to coordinate policy on this point? What steps have been taken to ensure a coordinated approach to these trans-frontier environmental problems in the Council? I shall leave the matter there, Mr President — this problem is currently occupying the attention of more than 40 local authorities. There are also problems in the border area between Luxembourg and France, but I shall not go into that. It would clear things up a lot if the Commission could give us an assurance that steps are being taken on this issue on the lines of the proposals put forward by Mrs Walz.

My group will be tabling no amendments to Mr Müller's report, and we shall be pleased to vote for his motion for a resolution.

President. — I call Lord Bessborough to speak on behalf of the European Conservative Group.

Vandewiele

Lord Bessborough. — Mr President, the Conservative Group likes the package proposed by Mr Brunner and also welcomes the report by Mr Müller.

I would like to say this. I consider that Mr Müller is a powerful example of the Christian-Democratic coalminer who also demonstrates great political flair. Those who have seen the mines in his constituency, as quite a few of my colleagues have done, will know of the strong relationship which his party enjoys with mining communities. This is an exemplary political situation which I hope may pave the way to the support of British Conservatives when British mine-workers learn that their security of employment has, I regret to say, been thrown in jeopardy in a succession of energy Council meetings by their own British Secretary of State for Energy, whose name is well known to you. Well, in the Council of Ministers when Conservative ministers participate — as I know they will shortly again — and since February 1974, with British Labour Ministers in the Council, the Community's energy targets have been renewed in successive resolutions.

The role of coal is fundamental. It is the Community's most important energy asset. This Parliament — that is to say, most political groups in it — are agreed that the Commission's proposals to finance cyclical stocks of coal, to promote coal in electricity generation and to support intra-Community trade are essential in order to meet the medium and long-term energy requirements of the Community.

But I fear that the Council will fail to achieve unanimity on the proposal. In our own Committee on Energy and Research, there is generally broad agreement about the action required to improve our energy supplies: happily, technical matters are often outside ideological considerations. But what is disappointing is that, as I think Mr Brunner told Parliament last month, one energy Minister frequently opposes or vetoes the agreement which reigns among the other eight energy Ministers. It is tragic that the future of the Community's coal industry, particularly in the Federal Republic of Germany and the United Kingdom, should be endangered by a reluctance to establish a trade off on refinery capacity. There is — if I may say this — so much solidarity in the Socialist Internationale that Socialist governments in Bonn and London seem to be unable to prepare an agreed approach in the Council of Energy Ministers. I am glad to see that Mr Ibrügger, who is an enlightened Socialist, and I was very interested to hear his speech, would clearly like an agreed approach; well, I regret having to make a party-political point, but I do think that my Socialist colleagues, particularly German and British, should exercise their influence over a Minister when his action is endangering his nation's and the Community's basic interest.

Finally, Mr President, my group believes that the support, necessarily limited though it is, for this intra-

Community trade in coal is an investment in the future, an investment in an industry whose product we shall increasingly need as oil reserves become exhausted. My group is opposed, of course, to unlimited subsidies, if only because they can become self defeating; but the proposed regulation should provide the Community's coal industries with a breathing-space, and therefore my group believes that these measures for coal are long overdue. We need the Brunner package.

President. — I call Mr Fioret.

Mr Fioret. — (*I*) Mr President, Mr Brunner, ladies and gentlemen, throughout history the fall of civilizations has coincided with the disappearance of the premises on which they were based, and it is natural that, faced with the danger of a lack of energy — that basic condition on which modern society rests — the industrialized nations should use every expedient to postpone what is now known as 'the energy catastrophe'.

Mr Müller-Hermann's motion for a resolution sets itself the task of helping to achieve the energy objectives for 1985 (laid down by the Council of Ministers in 1974), which involve the increasing use of the resources available within the Community. But it is necessary to consider whether the chosen method of financial aid measures, involving a subsidy of 10 EUA per tonne of coal mined, is the most likely to achieve this result or whether, apart from the at present small figure committed for the purpose — as Mr Müller-Hermann said just now — it would rather set in motion in the energy field a counterproductive mechanism similar to that introduced in the agricultural sector — a mechanism which has become a bone of contention and a source of very serious imbalances among the peoples of the Community.

Product subsidies in fact always imply a protectionist policy which, although tolerable in the short-term situation of the economic sector which it is desired to protect, encourages inertia in the long term instead of stimulating the inventiveness and enthusiasm of those who should take radical measures to remove the structural causes of the crisis which it is desired to combat. Even taking account of the other causes which affect the costs of coalmining in the Community — such as the geological conditions of the European carboniferous deposits, and the high cost of manpower and safety measures — the present huge differences between the world market price for coal of about 30 to 35 dollars c.i.f. per tonne and the price of coal extracted in the United Kingdom, the 75 dollars for coal mined in Germany and France, and the 100 dollars for Belgian coals, seem intolerable.

Mr Müller-Hermann admitted very frankly that, given the difference between the c.i.f. price of imported coal

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and the delivery price of Community coal, it remains doubtful whether the granting of aid will achieve the desired aim. Moreover, the argument according to which an aid policy of this type is in any case justified by the need to guarantee security and autonomy of supplies to the Community seems unconvincing — notwithstanding the points made by various Members this evening — since it is well known that the leading suppliers of coal at significantly lower prices are the United States and Australia, traditionally friendly countries which have no political or economic interest in suffocating the Europe of the Nine.

And what, then, of the negative repercussions which a reduction in imports of Polish or Soviet coal would have on the trade balance, with a consequent reduction in the exports of Community industrial products to Poland and the Soviet Union, which are also important suppliers of coal?

I think we must be frank with ourselves and our peoples, especially with Italy, which, having almost no coal deposits, will have to bear without compensation the burdensome consequences of the proposed policy of financial aids, and we must state clearly that the reasons why it is desirable to pass this resolution relate only to a limited extent to security and energy factors. On the other hand, the Community interest in subsidizing the coal produced in the Member States involves economic and social problems, duly brought out by Mr Müller in his statement that pit closures are irrevocable, given that the re-opening of a pit is as expensive as opening a new one, and that in 1978 the number of miners registered in the whole Community dropped by 11 500. But if these are the problems, the scale on which they must be tackled is very different, and the directives on aid must be comprehensive. Indeed, as long as the price differences between Community coal and that marketed by third countries remains so great, a large part of the subsidized coal will have to be put into storage, since it is very risky to rely on a substitute for oil, given that it is very difficult for countries such as Italy, for example, in which most of the installations generating heat or power are by hydrocarbons fired, to convert them in a short period without adequate Community aids for mixed consumption of coal and heavy oils. It is right to make an effort at Community level in order to overcome the present crisis of the German, British, French and Belgian coal mines, but it must not be forgotten that Italy will face similar problems when the reduction in the volume of refined petroleum products brings about the closure of many refineries, which are already working at 60 % capacity, thereby certainly creating a great deal of unemployment.

I think it is wise to tackle the question in rational and economic terms while there is still time, if only to plan and set quotas for the refining of products in each country of the Community, bearing in mind the plant at present available to each Member State. Mr President, ladies and gentlemen, I wanted to put forward my arguments straightforwardly, since I am convinced that product subsidies and the thinking behind the resolution which we are about to pass repeat previous experiences which were not encouraging, that the measure is acceptable in order to alleviate short-term problems, as I have already said, but that it is, if not damaging, absolutely inadequate, to deal with structural problems such as those which beset coalmining in the Community. The countries of the EEC are essentially processing countries and must always bear in mind that their trade balance rests on the availability of raw materials at the lowest possible prices. To pursue the aim of self-sufficiency at the cost of competitiveness would not indeed be beneficial to anyone, and thus the procedures for control of aid measures introduced into the regulation are meaningful if they are designed not so much to adjust the aid as to record whether or not the aid has served to revive and sustain the efforts — at present made by only a few producer Member States — to make the Community coalmining industry economically viable.

In this perspective, I think that the motion for a resolution before us merits our support, particularly because, in the absence of more decisive and definitive measures designed to channel the available resources towards modernization and restructuring of the European coalmining industry, it is intended as a response to the serious crisis now affecting the pits in the EEC countries.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, as a result of developments in Iran, there has been a production shortfall of five million barrels of oil a day. Every self-respecting chairman of an association and every board of directors, along with a number of our politicians, have reacted by issuing public statements saying that the situation is terribly grave and dangerous, but that no one should panic — thus provoking, of course, the inevitable panic reaction. I hope this House, the Commission and the Council will not make the same mistake. The events in Iran have merely confirmed what we have always seen as the basis of our policy — the need to get away from our dependence on oil. We shall now have to increase our efforts to pursue this objective steadfastly but unhysterically. Therefore, under the pressure of events in the energy sector, we shall have to agree on

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other packages which are quite different from this 'Brunner Package', the extent of which is bound to surprise a lot of people and evoke criticism that it is over-ambitious. I think the European Council will have to tackle this subject at its meeting on 12 and 13 March. The Council cannot go on leaving our proposals lying around to gather dust without the slightest sign of progress being made. Ever since the last meeting of the Council of Ministers in December, I have been waiting at least for the British to give up their objection to the pilot projects on energy-saving and alternative energy sources. We were led to believe that agreement would be forthcoming. We were told that we could reckon on the British government giving favourable attention to this question and letting us know their decision by March.

We are now gradually approaching the time when the second batch of projects — coal projects, nuclear safety projects and price and taxation policy projects — will have to be discussed coherently in the form of recommendations to the national governments. The responsibility for this lies with the heads of government meeting in the European Council. I do not think we can fob off our people any longer by simply stating objectives and then every few years presenting the occasional completed project as if it constituted a Community policy. We must get on faster. Coal, and something on the lines of what we are talking about today, has a part to play here, although this is not panacea.

Of course, what we are doing is walking a tightrope between different sectional interests. There are those who want to see our indigenous coal exposed to competition from outside; here we have the consumer countries which have no production of their own and which are interested in obtaining coal as cheaply as possible. On the other hand the producer countries — and, indeed, all the Community countries — have medium-term interest in stimulating coal production and coal research so that in the future, when the price of oil has reached a level which does not bear thinking about at the moment, we shall not only have enough coal available, but also have new technologies for using that coal in the form of coal-based oil and petrol.

Mr President, a time will come in a few years — the Saudi Arabian Oil Minister Sheikh Yamani has predicted it will be around 1985 — when oil will cost 25 dollars a barrel: in other words, almost twice the price we paid last year. We in Europe will only be in a position to absorb this price rise and keep our economy going in the changed circumstances by making the necessary preparations in good time. That time is now, the foundations have been laid and our objectives and methods have been clearly spelt out. These methods consist of national measures, which need to be coordinated, and Community measures

funded from the Community budget. So we know where we are going and how we should proceed. We now need to give a lead to the people of Europe, and I think this is something the European Council could usefully do.

The projects before us today do not mean that we want to isolate ourselves from the world market, and that is why I still have reservations about any kind of wording which might be thus interpreted. Let us not forget that the European Community can only flourish if it is open to the rest of the world. We cannot isolate ourselves from the rest of the world, nor is it in our interests to do so. In the interests of the consumer countries and of healthy competition, and in view of our aim of becoming less dependent on oil imports, we must continue to import a certain amount of coal from third countries. This is in the interests of all of us, as Mr Müller stressed — indeed, he regards it as part and parcel of his proposal.

Above all, there is one thing we should not forget, and that is that as long as the price of oil is variable but has not yet reached the top rate we can expect by 1985, any restrictions on imports of coal are bound to result in additional demand for oil. This is a very risky matter if we are really determined to reduce our dependence on oil imports. We should bear in mind how one factor affects the other. We have a long way to go before our own coal industry in the Community can cope with the enormous price difference of 30 dollars per tonne compared with the price on the world market. Nevertheless, we must take steps to make more Community coal available, and that is the point of this proposal. It is — as you yourself said — part of a triple programme. It is part and parcel of the proposal on encouraging the use of coal-fired power stations, it complements the proposal on aid for coking coal, and it completes the whole package.

The important thing is not so much whether the proposal is adopted in this form or in a modified form; the key point, in specifying clear objectives in the present difficult situation, is that an essential part of these objectives is the need to encourage the exploitation of the enormous reserves of coal we have in Europe. I should like to thank you for your efforts in this field and I should especially like to thank those Members who have spoken in this debate.

Finally, I should like to comment briefly on what Mr Vandewiele said. We believe that the construction of new power stations should as far as possible be preceded by consultations. We forwarded to the Council a proposal providing for a strict Community procedure, with special reference to the construction of power stations in border areas. The Council did not take up our ideas.

Instead, it made plans for a very loose kind of consultation procedure, and we intend to make use of that procedure. At the same time, however, we shall insist

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on reviving our original proposal if experience shows more intensive consultation to be necessary. So much for my reply to Mr Vandewiele. Let me conclude by thanking you once again for your efforts.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote as it stands at the beginning of tomorrow's sitting.

14. Imports of uranium from South Africa

President. — The next item is the oral question with debate (Doc. 592/78) by Mr Dankert, on behalf of the Socialist Group, to the Commission :

Subject : Imports of uranium from South Africa

On 9 May 1978 Commissioner Burke was unwilling, for reasons of commercial secrecy, to answer my question on the extent to which the Community was or would become dependent on South Africa for its uranium supplies.

On 10 May 1978 the President-in-Office of the Council, Mr Andersen, said in reply to similar questions that he expected the Community to become less dependent on South Africa than it was at present.

The December 1977 issue of the German magazine 'Atomwirtschaft-Atomtechnik' (No 12, Year XXII), however, gives the following figures :

- in the period 1965 to 1976 inclusive, the Federal Republic of Germany imported 1 700 tonnes of natural uranium from South Africa representing 27.2 % of its total uranium imports of 7 000 tonnes ;
- contracts have been concluded under which, over the period 1977 to 1980 inclusive, the Federal Republic is due to import 4 200 tonnes of natural uranium from South Africa, representing 46.7 % of its total uranium imports of 9 000 tonnes in that period.

Furthermore, the annual report of the Euratom Supply Agency for 1977 shows that some of Community supplies of uranium come from Namibia.

1. Can the Commission state how far these figures concerning the Federal Republic's imports of uranium from South Africa (there being clearly no 'commercial secrecy' restriction on the publication of these figures) are comparable with uranium imports from South Africa by the Community as a whole ?
2. Can the Commission state what share of the Community's uranium imports from South Africa come from Namibia ?
3. In view of the undesirability of being dependent on South Africa in any way at all, is the Commission prepared to secure alternative supplies of uranium for the Community in the longer term ?
4. Is the Commission willing to observe the ban imposed by the UN Council on Namibia on the exploitation of or exploration for Namibian raw materials, and to do its utmost to stop the importation of uranium originating in Namibia ?

I call Mr Dankert.

Mr Dankert. — (NL) Mr President, despite the late hour, I feel that the question of imports of uranium from South Africa and Namibia is still a topical one. We had a lengthy debate with the Commission on this question in May of last year, a debate which centred around the question of the amount of uranium imported from South Africa and particularly from Namibia. The Commission — in the person of Mr Burke — gave a reply which was, in my opinion, highly unsatisfactory on two grounds. Firstly, the Commission claimed that it was unable — for reasons of commercial secrecy — to give any figures on the extent of the Community's dependence on imports of uranium from South Africa and Namibia. Secondly, Mr Burke said — if I may summarize his argument — that the Commission did not regard the Community's dependence on South Africa on this vital point as all that much of a problem in view of the flexible attitude of South Africa regarding delivery conditions or perhaps I should say, the lack of conditions.

That was on 9 May 1978. One day later, on 10 May 1978, the President-in-Office of the Council, the Danish Minister for Foreign Affairs, Mr Andersen, said — I assume in his capacity as President-in-Office that the Council thought it desirable to reduce the Community's dependence on South Africa for supplies of uranium. I fully share the Council's objectives. I should, however, like to know what the Commission, and in particular Mr Brunner, are doing to give practical effect to the Council's political determination.

I should have thought that, in view of the powers available to it under the Euratom Treaty, the Commission would have ample scope for implementing this policy, and I can only conclude that the Commission is doing nothing in this respect and that, on the contrary, Mr Brunner thoroughly approves of the policy which Mr Burke explained to this House in May 1978.

That is why the Socialist Group is now making a fresh attempt to introduce a little more clarity into this question of what I would term a rather noisome dependence. The Commission has made no attempt to deny that we are indeed dependent on South Africa for our supplies of uranium. As I said before, this was evident enough in May last year, although the Commission did not want to reveal the precise extent of our dependence on South Africa. Meanwhile, however, the Commission itself has brought some light to bear on the question in its communication to the Council of 5 February on the Community's external relations in the energy sector, and additional information has come from the December 1977 issue of the West German magazine 'Atomwirtschaft-Atomtechnik'. Mr President, I should just like to comment briefly on the information which has been

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forthcoming from the Commission and the article I referred to just now, in which it is clearly stated that the Community's dependence on imported uranium will increase from some 7 500 tonnes at present to something like 25 to 26 000 tonnes in 1990. The same article goes on to say that, in view of the USA's own needs, which are met in part from imports from Canada, the Community main suppliers of uranium are Canada, Namibia and South Africa, disregarding for the time being the special French problem with regard to Gabon and Niger. The Commission document says that Australia may perhaps become suppliers, with a maximum capacity of between 6 000 and 6 500 tonnes in 1985, but that, even more than in the case of Canada, the problem with Australia is whether there is the political willingness there to supply the Community with a sufficient amount of uranium on the present delivery conditions, or at least with sufficient uranium to ensure that the Community has an alternative to South Africa as a supplier of uranium.

Mr President, the non-proliferation policy pursued by Canada and Australia, along with the unwillingness on the part of the Member States of the Community to behave reasonably in this matter, is bound to result in a substantial increase in the Community's dependence on imports of uranium from Namibia and South Africa and I do not see how the Commission can deny that this will be the case. The figures given in the article in 'Atomwirtschaft-Atomtechnik' fully support this analysis as far as the Federal Republic of Germany is concerned and the explanatory comment on the question provides some confirmation. This means, Mr President, that the EEC is far more dependent on South Africa and Namibia for its supplies of uranium than it is, for example, on Iran for its supplies of oil. Looking at the situation a few years from now, and bearing in mind the Commission's scenario of increasing dependence on imports of uranium, I can only conclude that the Community's dependence on supplies of uranium from South Africa and Namibia in 1985-1990 will, in percentage terms, be roughly similar to our dependence on imports of oil from Iran and Saudi Arabia together.

What the Commission is assuming therefore is a policy of quite substantial dependence, and I just wonder how this can possibly be reconciled with the Commission's policy on the elimination of apartheid. This is clearly one common aim of European political cooperation as formulated by our ministers for foreign affairs who never tire of holding forth on it in the United Nations, although I must say that this year — unlike other years — they have rarely if ever managed to achieve a genuine Community stance on specific issues. This situation — and I thought that the voting behaviour this year at the UN was proof enough of this — prompts me to comment on a couple of points. Either the policy which the Community is

pursuing at present vis-à-vis its dependence on uranium supplies from South Africa and Namibia will serve to slow down the move to independence in Namibia, or, assuming that Namibia becomes independent on acceptable terms — which is what my Group hopes will happen — the Community will be running a serious risk — by dint of its policy of dependence on uranium supplies — of getting involved in the political tensions which are bound to develop increasingly between South Africa and the rest of Black Africa as a result of Namibian independence. This is why we are now calling upon the EEC to show its support for Namibian independence in its day-to-day policies including its policy on uranium supplies, and to take steps to adapt its policy on imports to what the United Nations Council on Namibia regards as being essential to the establishment and maintenance of Namibian independence, namely to import no raw materials from Namibia without the prior authorization of the Council for Namibia. Mr President, there are two other minor points I should like to make. I referred just now to the Commission's communication to the Council No COM (79) 23 final of 5 February on the Community's dependence on energy imports. This is an interesting document, and I should like to know why it has not been submitted to this House. Perhaps the Member of the Commission would be so kind as to tell us why this was not done.

Finally, I have quoted German statistics on our dependence on South Africa and Namibia for supplies of uranium. These statistics do not appear to be covered by what Mr Burke claimed last year — and I assume he was speaking on behalf of Mr Brunner — was the principle of commercial secrecy. What exactly is meant by 'commercial secrecy' and who is hiding behind it? Is it not in fact an excuse to prevent our people from finding out that what Mr Brunner and his fellow apologists for the flourishing nuclear energy industry are doing with their uranium policy is to implicate us more in the maintenance of white supremacy in South Africa? It goes without saying that my Group would regard such a development as highly undesirable.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, let me say to begin with that I would appreciate it if we could proceed on the basis of a little more accuracy. Mr Dankert referred to me as an ardent apologist for nuclear energy. To be perfectly accurate, I must say that that is sheer poppycock. As far as nuclear energy is concerned, I have always stressed the need for reactor safety and improved management of nuclear waste. I have tried to bring about a considerable increase in our financial efforts in this field, and at public meetings, I have always devoted special attention to this aspect which has rightly given the public cause for concern. I am an

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ardent apologist for neither nuclear energy nor anything else. I am simply an ardent apologist for liberty — that is all.

Turning to your questions, I may say that Mr Burke was faced with a difficult task when he spoke on my behalf here last time, because he had to stop short of the point at which commercial interests require secrecy to be maintained. These commercial interests are undoubtedly a significant factor. I could not very well tell you that such and such a firm had signed a contract for so and so many tonnes to be delivered within such and such a period. But this, of course, is not the kind of thing you want to know. What you want is a general idea of the scale of transactions, and in this respect, I can give you an answer to your first question. As a result of our calculations, we can more or less say that, taking the recent three-year period between 1975 and 1977, our imports of uranium from South Africa accounted for one third of the Community's total consumption — in other words, a bit more than you thought, Mr Dankert.

And how much of this was accounted for by imports from Namibia? Here again, it is difficult to be precise because the production of uranium in South Africa includes uranium that is produced as a by-product in gold mines, including one particularly big mine in Namibia. I suspect that Namibia accounts for a fairly hefty proportion of what we import.

Your third question asks whether we have taken any steps to reduce our level of dependence on South Africa. In reply, I would draw your attention to what we have been doing in the framework of cooperation with the developing countries to speed up exploration work. On this point, we have presented the Council with a paper, which has already been debated here in this House. Finally, I would point out that we are endeavouring in every sector to exploit to the full those techniques which will enable us to make better use of raw materials which are in very short supply here in Europe. I might mention here the improved uranium enrichment techniques. Unfortunately — as you yourself said — we are forced to import 80 % of our uranium requirements. This means that we must try to develop new ways of making the best use of this uranium, so as to reduce our level of dependence on imports.

You also raised the political question of the connection between commercial relations and the decisions taken by the UN Council for Namibia. You have addressed your question to the wrong people, though. Responsibility in this case lies not with the Commission, but with the governments of the Member States. All we can do in this field is to take note of the fact that all these governments abstained when the vote

was taken in the United Nations. This was the common position adopted by the governments. The Commission as such is not a purchaser of uranium from South Africa or anywhere else. Our part in the process is to guarantee secure supplies, to keep the market as open as possible and to use the supervision and safeguards system which we run to ensure that these imports are not misused. This is the situation, and I have tried to answer your questions as precisely as possible. I should like to go on to deal with two other points which you touched upon in your speech.

Firstly, you asked why the Commission's communications to the Council on external relations in the energy sector was not debated here in Parliament. Have no fear — you will have your chance. So far, the document exists only in the form of a Commission decision, which has still to be communicated to the Council. We shall, as always, give Parliament the opportunity to debate this subject.

Finally, you gave some figures comparing the Community's possible future dependence on uranium imports with its dependence on imports of oil from Iran. Unfortunately, your comparison is mathematically inaccurate. We import 17 % of our oil from Iran, and oil in turn accounts for 90 % of our total energy imports. Uranium accounts for only a fraction of the remaining 10 %. According to our current projection, and assuming that nuclear energy develops at a reasonable pace, at most 12 % of our total energy requirements will be supplied by nuclear energy by 1985. In other words, nuclear energy accounts for only a fraction of the energy supplies that would be covered by oil from Iran. The two things are on a completely different scale, and you cannot compare one with the other. If you assume one-third dependence for around 6 % of our energy requirements, you are working on a much smaller scale than if you were to calculate 17 % dependence for 90 % of requirements. I just wanted to make this point to highlight the computational problems.

President. — I call Lord Bessborough to speak on behalf of the European Conservative Group.

Lord Bessborough. — Mr President, at a time of recession, when the inflation in energy prices pushes up the cost of almost everything, my colleague, Mr Dankert, and the Socialist Group pose a question which relates to the fuel which produces the cheapest electricity available to society. The Community's principal sources of uranium ore are, as we know and as I think Mr Brunner has told us, Canada, Niger, the Central African Empire, the Republic of South Africa, Namibia and soon, possibly, Australia, although that potential source is, of course, fraught with local political difficulties.

Lord Bessborough

Mr President, even nations which are supposedly well disposed to the Community, such as Canada and the United States, suspended supplies respectively of uranium ore and enriched uranium until they were satisfied that Member States would not divert the uranium to other than peaceful uses. The fact that the Euratom Treaty is ample proof of the Community's peaceful purpose in the world, was demonstrated by the Commission's success, and most particularly by Commissioner Brunner's success, in reopening these supply lines, even though I judge that this can be only temporary. What is unusual about South African and Namibian uranium is its availability without political strings. Now this is not a small advantage in a world where for a variety of political reasons, oil and uranium supplies can be suspended at a moment's notice.

If my colleague, and the Socialist Group understood the political problems of managing the nuclear fuel cycle, then I think, they would have included in this oral question reference to the Community's dependence on the Soviet Union for the enrichment of South African uranium and for enrichment of uranium from other sources. We should not forget that the Community is more than 90 % dependent on the Soviet Union and the United States for uranium enrichment services. We have often debated this in this House. Now if the Socialist Group is anxious to diminish the Community's dependence on uranium from Southern Africa, I would like to ask what proposals they have for alternative supplies of uranium. Before the Community can give up one source of supply of uranium in large quantity, new sources must, in my view, be created and proved. It is paradoxical that in the motion for a resolution closing the debate on my oral question about China, the Socialist Group — in fact Lord Kennet — sought to delete the paragraph calling on the Community to establish dependency on China for energy carriers. And, of course, we know that China possesses considerable uranium deposits.

Well, Mr President, we in the Conservative Group doubt the consistency of our Socialist colleagues. They share with most people, as we all do, an abhorrence of violations of human rights in South Africa and elsewhere. I share them too. But this curious thought came to my mind. Mr Dankert is a Dutchman, and those who govern the Republic of South Africa are people of Dutch and Flemish origin. I ask, does Mr Dankert understand the character of a people who in various ways have a closer relationship with Holland than with any other Member State? Could I ask what consideration Mr Dankert has given to using other political techniques to improve the lot of black Africans and to induce changes in southern Africa. Why not establish political and economic relations between the Community and the government of the Transkei and with the governments of the Bantustans, say on

the model of the Community's relationship with Botswana and Lesotho?

Well, I would quite understand the reluctance of the Commission to answer this oral questions in too much detail, although Mr Brunner has given very adequate answers. But I would have understood it if he had been reluctant to give answers since they might throw a hostage to fortune. At all events the European Conservative Group hopes that discussion of this subject will be — shall I say — as restricted as prudence suggests.

President. — I call Mr Glinne.

Mr Glinne. — (*F*) Mr President, I share Mr Dankert's views on the choice of South Africa for the Community's uranium supplies, because of the political consequences that are bound to result from this choice. I should like to illustrate the increasing links with South Africa in this field by drawing your attention to a fairly recent event, the signing of a contract between the Belgian Synatom company and the Harmony Goldmining Company, two private undertakings. The contract was approved on 22 March 1978 by the South African Atomic Energy Board, and came into force on 31 March 1978, when it was signed by the two contracting parties and the Euratom Supply Agency. According to Synatom, the contract is designed to guarantee a secure and continuous supply of uranium to the Belgian power stations. I should perhaps make the point that in my country, power generation from nuclear fuel is planned to increase from 24 % in 1977 to 50 % in 1984. The contract in question covers the purchase of 2 000 tonnes of uranium concentrate to be delivered between 1980 and 1991 at a total price of something around 5 000 million Belgian francs. However, the contract includes a number of extremely important special clauses. In effect, Synatom will be granting the South African suppliers of uranium an interest-free loan worth about 1 330 million francs to finance the development of the mining industry and the installations needed to produce uranium in South Africa. In return, a total discount of a maximum of around 1 000 million francs will be given to Synatom as and when the uranium is delivered.

The most worrying aspect of this deal, in my opinion, is not the transaction itself between two private companies, but the official involvement of a Member State of the Community, namely Belgium. Synatom has applied to the Belgian guarantee commission for cover for the risks involved in this deal. Now, the guarantee commission normally provides export guarantees for risks run in relation to exports — I stress 'exports' — by Belgian undertakings and this is, in principle, a perfectly legitimate enterprise. But the statutes governing the Belgian guarantee commission also authorize it to underwrite import transactions so

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long as they are an essential element in the government's economic policy. It therefore follows that the government has the final say in such matters. Synatom has requested cover for — and I am quoting now from the contract itself — 'political risks of non-payment of the loan granted by Synatom to the South African suppliers, and secondly, cover for the political risks connected to the loss of enjoyment of the discount provided for in the import contract, and finally, cover for the risk of the devaluation of the American dollar which was used as a yardstick in evaluating the transaction'. The Belgian guarantee commission, which is a public institution underwritten by the State and which is under the supervision of four ministerial departments gave the go-ahead on 23 October last year, and this met with opposition from a wide cross-section of Belgian public opinion and, in particular, from my own party.

Mr President, I have referred to this relatively recent event to draw attention to the growth in what, in the language of the cinema, we might call the 'South African Connection'. To demonstrate to what extent the growth in this kind of business is already damaging our relations with present-day Africa, we have only to refer to certain conversations which took place at our recent meetings with the ACP States in Bordeaux. There is also a risk of souring the good relations that tomorrow's Europe hopes to have with the Third World. I really think, Mr President — and in this respect, I fully share the opinion expressed by Mr Dankert — that it is rather a retrograde step to seek guaranteed supplies of uranium from South Africa when we should be thinking ahead and diversifying our sources, as well as dropping certain suppliers who could become a serious political embarrassment in the not too far distant future.

President. — I call Mr Dankert.

Mr Dankert. — (NL) Mr President, Mr Brunner has more or less agreed that the report I referred to earlier will be submitted to Parliament. I assume that the idea in so doing will be for this House to state its opinion on the document in question, and I trust that Mr Brunner will be able to confirm this.

Moving on to the main point, I stand by my view that the Commission — in this case, Mr Brunner — is dodging the main issue, which concerns the relationship between the Community's dependence on supplies of uranium and its policy on external relations. The Community's foreign policy is aimed at the elimination of apartheid, officially at least, whereas its dependence on supplies of uranium is increasing. Mr Brunner said that the Community is between 30 and 35 % dependent on South Africa — and for the most part Namibia — for its supplies of uranium. In view of the statistics contained in the report I referred to just now, I should like to know what level of depen-

dence we shall have reached by 1982 and what the situation will be in 1985. Mr Brunner is perfectly able to give us these details because the Commission is currently engaged in negotiations in which it is represented by the Euratom Supply Agency. Brussels knows precisely how dependent we will be on supplies of uranium over the coming years, and I would appreciate it if the Commission could give this House the information it requires. I rather suspect that our political dependence on South African and Namibian suppliers will be greater than it is at the moment.

Mr Brunner said that this is all very well, but we should not compare the situation in the uranium sector with our massive dependence on Saudi Arabia or Iran for supplies of oil. I know perfectly well that an enormous percentage of the Community's energy requirements are currently covered by oil. I also know, however, that if we make a large proportion of our electricity supply dependent on nuclear energy — and this is after all the aim, and not an unreasonable aim at that, in my opinion — it will mean that, as far as electrical power is concerned — whatever proportion of total energy requirements it represents — our dependence on imports of uranium will be an essential, and hence a politically decisive, factor. That is why I drew this comparison. I presented the figures in percentage rather than absolute terms. I think my comment was perfectly justified and gave an accurate indication of the political problems with which we are faced in this respect.

Mr President, there is one more point I should like to make. I was most surprised to hear Mr Brunner say that the declaration issued by the Council for Namibia was none of the Commission's business, that the question should instead be addressed to the Council of Foreign Ministers, and that that fine body of men had abstained on the question of the Council for Namibia and when the question of imports from Namibia came up for discussion. All I can say is that, for a Member of the Commission, that was hardly a very political attitude to take, as if you were just an administrative body rather than a political institution. It seems to me that the Commission has some political responsibility in this sphere and cannot simply hide behind the Council's abstention on this issue. After all, by pursuing its policy of dependence on Namibia for supplies of uranium, the Commission has created political facts, namely the political fact that it is becoming increasingly dependent on imports of uranium from Namibia, which is still itself dependent on South Africa.

If Namibia does gain its independence, the very situation created largely by the Commission could mean that these uranium imports could be seriously jeopardized. That is why the Commission clearly bears political responsibility in this field by virtue of the powers

Dankert

bestowed upon the Euratom Supply Agency by the Euratom Treaty. Lord Bessborough was quite right to ask what alternative was open to the Commission. He suggested China. I do not think that China can be counted among our major alternatives. We may be able to get something like 500 or 1 000 tonnes from the Chinese, but I think the Commission will have to rely largely on Australia and Canada and pursue a respectable policy of non-proliferation under the auspices of Euratom. In my introduction to this Oral Question, I referred to apologies for nuclear energy, and Mr Brunner disagreed with this description. I should just like to say that it is always gratifying to observe that even Members of the Commission adapt their own views to the changing views of their political parties.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) First of all let us get our facts straight, because unless we do so we shall never get a sensible dialogue going. The facts of the matter are as follows. These supply contracts are commercial transactions covering a relatively long period of time. From our present vantage point, we can say with some degree of certainty that this proportion will not increase dramatically in the future, and we can say this precisely because these are long-term contracts.

Another reason why we can say so is that additional sources will become available in the coming years. Australia is now becoming a force to be reckoned with ; it has a very high level of production, and something like 20 % of the world's available reserves of uranium. Another factor is the slowing-down in the growth of the nuclear energy industry. Three or four years ago, we expected Europe to be getting 160 gigawatts of power from nuclear energy by 1985. We now know that that figure will be 75 gigawatts at most. The result is that, although, we have no way of predicting the behaviour of individual commercial importers in absolute terms, we now have a situation on the world uranium market which makes it fairly unlikely that the proportion of our supplies coming from South Africa will increase to any appreciable extent. This forecast is given further support by the fact that uranium prices have recently tended to fall rather than rise. In other words, it is, to a limited extent, a buyer's market. These are the facts of the matter, and taken together with what I said earlier about improved techniques for the utilization of uranium, I think they lend rather more support to my proposition than to the conclusion drawn by Mr Dankert to the effect that we shall experience a drastic increase in our dependence on South African uranium supplies. Consequently, I do not think we can accept his mathematical comparison with the Community's dependence on supplies of oil from Iran. He corrected himself somewhat just now, but he did not go the

whole hog, which he must be prepared to do ; otherwise he will be like the man who tried to sell horse-meat and chicken pies containing a mixture of half a horse and half a chicken. Don't let us fall into that trap. The two things are simply on a completely different scale.

Mr Dankert went on to say that we would be shirking our responsibility if we failed to express a political opinion. What exactly does he want ? My own political opinion as a Member of the Commission or a statement on the Commission's powers in this particular case ? I suspect the latter. If so, I cannot simply stand up and set out my own views on something which is really the preserve of the Member States' governments.

What I can tell you is my own personal opinion of the attitudes adopted by these governments. But that, of course, is not of the slightest interest to this House, since it does not alter the basic fact, which is that the governments do not regard these commercial relations as potentially harmful to Namibia's progress to independence. On the contrary, the governments drew the opposite conclusion to that drawn by Mr Dankert. They regard these commercial relations as a potentially valuable factor if and when Namibia attains independence, particularly as far as the wellbeing of the people of Namibia is concerned.

That is why the governments — the governments, you will note, not Mr Brunner — regard this decision to sever all commercial ties as a foolhardy step. What can I add to this without straying into that sphere which is rightly the preserve of the Member States' governments ? If I were to do so, I should be doing a political disservice to the Commission, and that is why I shall stick to my earlier reply. You tried right at the end of your speech to have a little dig at me personally, but unfortunately your criticism won't stick. What you said was that I was perhaps not an apologist. You left the issue open, which was hardly a fair thing to do — either I am or I am not : it is up to you to choose. You did say, however, that I was an opportunist who always swayed with the prevailing wind. It is quite possible that — like every other politician — I am sometimes tempted to do so. But you may be quite sure — and you are quite at liberty to compare my present standpoint with the attitude I have always adopted to nuclear energy since I took over this job — that I have never deviated from my basic beliefs on this point. From the word go, I have always been in favour of nuclear energy. It is true that many mistakes have been made in the utilization of this energy source, which is bound to be essential to Europe's future for some considerable time. We must correct these mistakes, and to do so we need time. We cannot force the pace, and we can do nothing without the support of our people, because they are, in the final resort, the vital factor.

President. — The debate is closed.

15. *Flood relief in South-East England*

President. — The next item is the oral question with debate (Doc. 597/78) by Mr Howell, Mr Corrie, Lord St. Oswald, Mr Jakobsen and Mr Normanton to the Commission :

Subject : Flood Relief in South-East England

Is it true that the flood relief of one million EUA granted by the Commission to the United Kingdom in 1978 was in respect of storms in South-East England on 11th/12th January of that year ?

How much of this relief has been allocated by the British Government to the areas then affected and when were these funds made available to the local authorities concerned ?

Will the Commission cooperate in a special investigation by the Court of Auditors into the use made by the British Government of the funds placed at its disposal for this purpose ?

I call Mr Howell.

Mr Howell. — Mr President, I will try not to trespass as long on the time of this Parliament as the last questioner, but I think it would be proper if I gave a brief history to the problem which concerns me and which I hope that Mr Brunner will be able to assure will be taken to the Court of Auditors. The problem is this : on 11 and 12 January floods occurred in the East and South-East of England, as well as in Scotland and on the coast of France. As a result of those floods, certain monies were allocated ; a million units of account were allocated to the East and South-East of England, half a million units of account to Scotland and 400 000 units of account to France.

I am particularly concerned about what has happened to this money, because the British Government, as far as I can ascertain, is not using this money for the purpose for which the Commission allocated it. I think this is important ; it is important to me and the area I represent, because we are being deprived of money which was allocated to us, and I am concerned on that count.

I am also concerned because none of this money has been distributed, and we are now 13 months away from the disaster itself. To my mind, it makes a nonsense of any emergency aid, if help does not reach the area within a much shorter space of time than that.

But the third and most serious thing is that I am concerned about the proper accountancy of money and the proper handling of money which is allocated by the Commission to certain Member States. This allocation was made on 13 February following the disaster on 11 and 12 January. But when the British Government received this money, it decided that part of it was to be allocated for the relief of the blizzard damage which occurred in the South-West of England

on 18 and 19 February, long after the original disaster. And not only that — it also decided that some of this money should be allocated for the relief of a disaster which occurred in November 1977 in the North-West of England. Now, if the British Government can do what it likes with funds which have been specifically Allocated for a specific problem — in this case in East and South-East England — then I feel that the Commission has lost its control of the money it has given, and that this must be wrong. I feel that the Commission should insist that the money which was allocated to the East and South-East of England should be distributed to that area.

Now, I am particularly concerned about the district council in my own area, the Norfolk District Council which has had to spend a considerable amount of money, to put right the damage to the sea defences which occurred on that night. West Norfolk in fact suffered even more than did the district which I represent. I think the Commission has a duty to see to it that when it gives aid to a certain area, the money is spent in that certain area. I can tell Parliament and the Commissioner that no money has been received from the Commission via the British Government in these two districts which are close to my home and which I feel I have a duty to represent.

We have established a Court of Auditors, and I believe that this is a case which should be referred to the Court of Auditors. I therefore request that the Commission do refer this matter to the Court of Auditors to ensure that the money allocated to East and South-East England is actually distributed in that area as originally intended by the Commission.

President. — I call Mr Brunner.

Mr Brunner, Member of the Commission. — (D) Mr President, as previous debates in this House today have shown, the Commission now enjoys a very close working relationship with the Court of Auditors. The Commission will of course ask the Court of Auditors to look into this matter, too and in fact, the Court of Auditors is currently investigating Chapter 59 'Aid to disaster victims'. We shall make all our material available and will get in contact with the Court of Auditors on the point which the honourable Member has raised.

Two weeks ago, we suggested to the British Government that we should send a team of officials to London to investigate the question of how these funds have or have not been used. More than a year has passed now since the disaster occurred and something like a year since the funds were made available. We hope therefore that we shall make the progress which the honourable Member clearly desires. I must point out, however, that it is up to the British Government to decide how to use the funds.

Brunner

It is true that at the time we made funds available to alleviate the consequences of this particular disaster. Further damage was done subsequently by another natural disaster. The British Government has some room for manoeuvre in deciding how best to use the Community funds. It is only fair to make this point.

President. — I call Mr Howell.

Mr Howell. — I am only partially satisfied with the answer. I am pleased to know that the Commission intends to refer this matter to the Court of Auditors, and I am also pleased to know that they intend to send a team of three people to investigate the use of this money, but I do not accept Commissioner Brunner's statement that the British Government can do what it likes with this money.

It was allocated because of a disaster in east and south-east England, and I have here the details of the meeting which took place with the chef de cabinet, the President of the Commission, under the chairmanship of Mr Phillips on 13 February, and it was specifically allocated to the east and south-east of England. It surely cannot make sense that when the British Government has received this money, which was allocated by the Commission for that specific disaster, that they can suddenly, say, 'oh, but we had trouble in the north-west of England in 1977, and we are going to decide that some of that money is going for that disaster'.

Now this cannot make any sense at all. Why didn't the Commission allocate some money for that specific disaster, which occurred in November 1977? That didn't attract the interest of the Commission, and therefore this money has nothing to do with that specific disaster. That went by, and nothing was allocated. What I'm saying is: a deliberate decision was made by the Commission to give aid for this specific disaster, and it is the duty of the Commission to see to it that all of this money is used for that specific disaster. It certainly is not acceptable — and I am sure that the Commissioner will see the point that I am making — it cannot be acceptable that the British Government can do what it likes with it. In actual fact, there is another blizzard occurring in eastern England tonight: perhaps some of this money can be used for that.

This doesn't make sense. We had the Friuli disaster, and the money which was allocated for that went to that area. I really cannot accept his statement saying that this is the responsibility of the British Government. It is the responsibility of the Commission to see to it that any money which it allocates to a specific disaster is used in that specific area.

President. — The debate is closed.

16. Community safety control of medical equipment

President. — The next item is the oral question with debate (Doc. 534/78) by Mrs Krouwel-Vlam, on behalf of the Committee on the Environment, Public Health and Consumer Protection, to the Commission:

Subject: Community action to control the safety and hygiene of medical apparatus and equipment for the protection of patients and medical staff

1. Is the Commission aware that the health of both patients and staff in the Community's hospitals and medical practices is not adequately safeguarded in respect of the satisfactory operation of medical apparatus?
2. Does it not agree that Community action is essential, particularly from the social and economic point of view, to prevent general, technical and hygienic risks, which in many cases lead to fatal results?
3. Could technical control of medical apparatus and equipment, standardized at the highest level, be contained in a first specifically medical action programme?
4. Could the Commission ascertain how far this subject has already been raised in existing European hospital committees, institutes, conferences and the like?

I call Mrs Krouwel-Vlam.

Mrs Krouwel-Vlam. — (NL) Mr President, as a result of informal discussions I have had over the last few months with the directors of a number of hospitals in the Member States, and in particular as a result of the activities of the Institute for Polytechnical Hygiene based in Germany and the Netherlands — which led to an exchange of views in the committee — it seems to me that the health of those who have to work day in, day out with medical apparatus and of those who are subjected to this apparatus — in other words, the patients — is not adequately safeguarded. That is why I tabled this Oral Question with debate which I hope will lead to a rapid improvement in the present situation. Hospitals and doctors' surgeries are particularly dangerous places for both staff and patients. Hospitals nowadays are technical undertakings, run on commercial lines, and there is no other industry in which so many dangerous substances are kept under the same roof. Explosives such as ether, alcohol and petroleum spirit and anaesthetizing gases, disinfectants, all manner of medicines, imported bacteria and viruses, ionizing radiation, microwaves and infra-red and ultraviolet radiation are dangerous enough in themselves, and all the more so when they are variously brought together via technical apparatus. Even in doctors' surgeries, there is — though to a lesser extent — an increasing demand for technical equipment. I certainly have no wish to exaggerate this problem. We must be extremely cautious in our approach to the question so that we do not provoke undue anxiety. But in the press, and particularly those sections of the press which go in for exposés of medical subjects, we all too frequently read about the

Krouwel-Vlam

consequences of defective or malfunctioning medical apparatus, against which the patient and — to a lesser extent — the medical staff — are still too defenceless. Does it not happen all too often that the decision is taken merely to repair an item of equipment which has completely broken down and has been shown conclusively to have been responsible for an accident? Let me give you a practical example of what I mean. A recent investigation in Germany revealed that of 282 items of medical equipment examined, 193 were found to be dangerous for the patient and the medical staff, in addition to which serious defects were found in many items of apparatus examined in the laboratory at the Institute for Polytechnical Hygiene. Problems are also caused by medical apparatus being introduced onto the market by firms which do not know enough about medical matters or which have taken no account of fundamental safety principles. These criticisms are directed in the main at a certain number of dubious firms which have discovered how easy it is to persuade a customer with no means of technical evaluation that medical apparatus is bound to be expensive, or how easy it is to sing the praises of an inferior product as if it were something special. More often than not, the product comes complete with a totally incomprehensible guarantee which gives no details of what to do if the apparatus does not perform according to specifications.

To illustrate this point, we have only to think of humidifiers which are highly effective germ-spreaders; apparatus which causes burns when used in combination with other medical instruments; deaths resulting from wrongly administered narcosis; wrong diagnoses resulting from inaccurate measurements, babies who die in incubators as a result of bacterial infection; ultraviolet radiation which is so intense that a dangerous dose can easily be given; defective perfusion and vacuum apparatus, and so on.

In the light of all this, Mr President, there are two comments which I unfortunately feel bound to make. Infections and post-operative accidents are still responsible for the failure of technically perfect operations, with all the attendant financial and social consequences. There has been an increase in recent years in the incidence of infectious and skin diseases among hospital staff. These complications inevitably lead to an increase in the cost of medical welfare, which has somehow to be kept within acceptable limits. It is therefore extremely important that we should get expert assistance here. Some Member States are already carrying out checks on the safety of medical apparatus on a large scale, whereas other Member States are only doing so to a limited extent. In many cases, the test methods, standards and regulations are so heterogenous that legislation simply cannot keep up with technological developments. What is needed, then, is harmonization.

Very little has been done so far at Community level in this field. As part of its activities aimed at eliminating technical restrictions on trade, the Commission has already submitted three proposals for directives to the Council on the harmonization of the Member States' legislation on medical equipment and apparatus. These relate to electro-medical apparatus, electro-radiological apparatus using X-rays, and radio-electrical interference caused by industrial, scientific and medical apparatus working the high-frequency spectrum. These proposals are still being considered by the Council, and in reply to a number of written questions on 13 November 1978, the Commission said that it was engaged on no other short or medium-term work aimed at harmonizing the relevant legislation in the Member States.

Mr President, I realize that health policy as such does not figure in the Community's economic treaties, but there are a number of points in these treaties which concern health policy, such as the adaptation of legislation to eliminate technical impediments to free trade, with or without optional harmonization at a high level, the protection of the consumer — in this case, the patient — by the principle of the producer's liability for defective products, the protection of workers at their places of work, the improvement of standards of living and, in the absence of regulations on product labelling, the stipulation of minimum specifications.

Mr President, I hope that my Oral Question will prompt the Commission to submit to the Council a concrete programme of action for the supervision of medical equipment and apparatus based on a number of suggested ways of protecting the patient and medical staff and keeping down costs in the health sector. Perhaps assistance could be obtained from the existing national technical inspection bodies and the European hospital committees and the like, which have undoubtedly already had to busy themselves with this entire question.

President. — I call Mr Vredeling.

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, as far as the honourable Member's first question is concerned, I can tell you that the Commission has no reason for suspecting that the health of patients and staff in hospitals and surgeries is under unusual risk as a result of the use of medical apparatus, defective or otherwise. We do, however, agree with the honourable Member that particularly in the field of public health we must strive to make the best possible use of whatever resources are available, without the health of patients or staff being endangered thereby.

Vredeling

As far as the second question is concerned, I may say that the Commission has found time and again that Community action is urged in fields in which there is practically no sign whatsoever of European cooperation. Thus, although the ministers responsible for public health, meeting within the Council, have met twice so far — on 13 December 1977 and 16 November 1978 — no agreement has yet been reached on specific legislation to be drafted by the Commission laying down measures to eliminate the general technical and hygienic hazards in hospitals and surgeries, along the lines desired by the honourable Member. I would stress that these meetings were held under the auspices of the Council, and that the points at issue were limited to large-scale apparatus and the desirability of drawing up an inventory of such apparatus in the Member States, with the idea of using the apparatus as economically as possible. But, in the final analysis, even this modest proposal from the Commission was not included in the Council's list of priority tasks for Community action. In reply to the honourable Member's third question, I can say that in the Commission's opinion, the standardization at a high level of the technical inspection of medical apparatus and equipment could be included in a medical action programme. I must, however, immediately add that, here again, the Commission is handicapped in its work by the fact that the Council has so far failed to reach so much as a single decision on this question.

As far as the fourth question is concerned, I can tell you that in carrying out the tasks requested by the Council on 16 November of last year, the Commission will of course take account of the studies and other work carried out by the Member States and international organizations such as the World Health Organization, the OECD and the Council of Europe, which show to what extent this subject has already been tackled elsewhere. Unfortunately, the Commission is unable to reply to the honourable Member's fourth question because it concerns an area in which the Commission has no powers whatsoever under the present Treaties, and in which such powers have been refused to it by the Council.

President. — I call Mr Jahn to speak on behalf of the Christian-Democratic Group (EPP).

Mr Jahn. — (D) Mr President, Madam Chairman, I should like to comment briefly on the Oral Question tabled by Mrs Krouwel-Vlam to the Commission. We welcome this initiative which calls for Community action to protect patients and medical staff from poorly designed medical apparatus and the incompetent use of that apparatus. It was thanks to our Chairman's initiative that the committee discussed this question in November last year.

As far as the protection of staff is concerned, we feel that the Community can and must take action on the

basis of the European Community's action programme of 29 June 1978 on health and safety at the workplace. One of the general aims of this programme — which was approved unanimously by this House — is to improve the safety of technical equipment in the light of health and — let me stress this point — hygiene requirements. This is in the interests of all of us. Such improvement must not, however, be limited to existing equipment, but should cover all new apparatus as and when it is developed. In other words, safety and health must be important factors right from the development stage as well as at the production and commissioning stages of all plant, machinery and premises. The first part of the programme, which is concerned with making safety an important factor in the various stages of planning, production and operation, provides for the formulation of recommendations and regulations to enable safety provisions to be adopted at Community level. We therefore call on the Commission to give this programme the priority it deserves in this field.

The protection of patients gives us rather more cause for concern. It does not figure in the programme I mentioned just now, which is restricted to the protection of the employee at his place of work. As you know, the patient is always at the mercy of medical apparatus, and his or her health depends on the competent use of properly functioning and sensibly designed equipment. Unfortunately we now know that these high standards are not always applied in practice, often with fatal results, as the Oral Question rightly points out. Appropriate precautions must be taken at the development, construction and procurement stages to prevent such things happening. When hospitals invest in new equipment, advice is normally obtained from the doctors and the safety advisors, but there must be some shortcomings in this system, otherwise instances of misinvestment would not occur.

Misuse and the faulty operation of equipment is often due to the inadequate training given to the nursing staff. Of course, negligence is also a significant factor. A study carried out in the Rhineland showed that breathing tubes, instruments, overalls and humidifiers were sterilized so perfunctorily that four-fifths of all the hospitals investigated were unsatisfactory in this respect. According to statistics published by the World Health Organization, between 15 and 20 % of all hospital patients catch infections of varying degrees of seriousness.

The usual way of alleviating the consequences of such neglect is to use antibiotics, regardless of the fact that it is precisely the unconsidered use of wide-spectrum antibiotics which increases the resistance of whole strains of bacteria. As a result of this, some 500 000 people in the Federal Republic of Germany alone — who are in hospital for different treatment entirely

Jahn

catch other infections, such as pneumonia from respiratory equipment, jaundice from blood transfusions, infections of the urinary tract in the delivery room or abscesses caused by bone pins.

You can see then, ladies and gentlemen, that something urgently needs to be done here, and that is why we agree with Mrs Krouwel-Vlam that the Commission should ensure that technical inspection of medical apparatus and equipment, standardized at the highest level, should be contained in a first specifically medical action programme. When can we expect you to present this programme, Mr Vredeling?

As we heard in the course of discussions in the committee, the Commission has already sponsored studies in this field, so that I am sure we can expect a definite programme to be formulated in a relatively short time. We think it would be useful if the European Foundation for the Improvement of Living and Working Conditions in Dublin and the European Centre for the Development of Vocational Training in Berlin were to be involved in the preparatory work on this programme. Let me conclude by asking the Commission whether these two European institutions have hitherto been active in this field, and if so, with what degree of success?

President. — Does Mr Vredeling wish to comment further on this sad story!

Mr Vredeling, Vice-President of the Commission. — (NL) Mr President, the European Parliament and the Commission are fully agreed as to the importance of this matter. The problem is simply what we can do about it at Community level.

So far, the Commission has made two attempts to submit programmes for the consideration of the Council of Health Ministers. So long as it is just a matter of the Commission investigating a certain problem, the Council's approval is readily forthcoming. After all, studies as such are inconsequential. But as soon as we say that we want to investigate a problem with the aim of reaching binding agreements and drawing up regulations at European level, the Council withholds its approval. Now, we are a political body rather than an investigative body, and we want our work to bear fruit in the form of agreements and regulations, which is precisely what the honourable Members want. When we then get the thumbs down for our proposals, our reaction is to say that we are not interested in being merely an investigative body. We do not exist simply to commission and carry out studies; what we are after are specific agreements and regulations.

That is why I can only give you unsatisfactory replies. Believe me, the reason is not that the matters which have been raised by the Members of this House are not important — in fact, they are much more important than many of the other things that get talked

about here! — but simply that there is no way in which our work can lead to definite results — in other words, regulations — at European level. Mr Jahn gave us the striking example of 500 000 patients a year who are the victims of the inadequate arrangements in hospitals in the Federal Republic of Germany. My reaction is of course to wonder what we can do about this kind of thing at European level. If the Federal Republic is not in a position to bring about any improvement in this situation, how can we possibly hope to deal with it at European level? It beats me, Mr President. I think this example just goes to show that there are problems in all our Member States which need looking at more closely but, with an eye to reaching agreement at European level. There are, hence, studies we should very much like to carry out and which we should like to devote a great deal of work, but only if prior agreement can be reached among the politicians in the Council that the result of all this work must be specific regulations.

But as soon as the Council is confronted with this question, it beats a hasty retreat. In this respect, the second meeting of the Council of Health Ministers was even less successful than the first. At least the first meeting was blessed with good intentions, whereas at the second meeting the likely consequences of these good intentions prevailed.

As to Mr Jahn's question on the role of the institutions in Dublin and Berlin in this matter, I can only say that the people in Dublin and Berlin will be fully involved as soon as the Council has decided that these matters are rightly the concern of the Community. But until the Council has so decided — and let us not forget that this is a field which is not covered by the European Treaties and which therefore requires a special decision on the part of the Council — our hands are tied. I am afraid you were right, Mr President, to call this a sad story, but I have not yet given up all hope that, by spelling out the facts as clearly as I have done today — and I do not think I could do so any more clearly — someone may sit up and take notice. Why does the Council consistently refuse to look at this problem from a European angle? Why does it refuse to hand over to the European institutions the powers which, given the importance of the matter, rightly belong to those institutions? Until these questions have been answered — and we have put them to the Council — and until the Council gives us the go-ahead, we can do no more than simply leave things in this unsatisfactory state of abeyance.

Perhaps the forthcoming direct elections will bring about some change in the situation. I certainly hope so, Mr President, because this whole question is far more important than many of the other subjects that are given an airing in this House.

President. — The debate is closed.

17. *Agenda for next sitting*

President. — The next sitting will be held at 9 a.m. tomorrow, Friday, 16 February 1979, with the following agenda :

- procedure without report
- decision on request for early vote
- voting time
- Pisoni report on the organization of the market in wine
- Kennet report on the abstraction of drinking water in the Member States
- Albers report on the adjustment of capacity for the carriage of goods by road

- Albers report on Community quota for the carriage of goods by road
- oral question without debate to the Commission on titanium dioxide
- oral question without debate to the Commission on tobacco
- oral question without debate to the Commission on gynaecological examinations by immigration authorities in the United Kingdom
- Dankert motion for a resolution on an appeal for clemency for the life of Mr Bhutto

End of sitting : voting time

The sitting is closed.

(The sitting was closed at 11.50 p.m.)

ANNEX

Questions which could not be answered during Question Time, with written answers*Question No 10 by Mr Nolan*

Subject : Tenders for projects financed by the European Development Fund

Is the Commission satisfied that the notices of invitation to tender are circulated freely enough in each of the Member States ?

Answer

Notices of invitation to tender are published by the Commission in the S series of the Official Journal which was specially conceived as a means of reaching the industrial sectors which might be interested in tendering for public contracts. These sectors may thus subscribe to the S series, which is separate from the Official Journal, for a modest fee.¹

Furthermore, the Commission has also taken supplementary measures on its own initiative :

1. Notices of invitation to tender have been placed in official or professional journals in the Member States so that there is more chance of reaching the usual readership of these publications.
2. In the case of public works contracts, the Commission has organized facilities for consulting the files of notices of invitation to tender at its offices in Brussels and in the various information offices in the Member States. There are 14 such facilities in the nine Member States.
3. In the case of supply contracts, the Commission, in addition to providing the consultation facilities referred to above, also distributes directly and free of charge about 100 documents per contract.

¹ Implementing Article 18 of Protocol No 2 of the Lomé Convention ensuring advance publication in reasonable time of invitations to tender in the Official Journal of the European Communities.

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Question No 11 by Mr Ansquer

Subject : Protectionist measures taken by the United States in the steel sector. On 17 November 1978 the American Government published an emergency regulation laying down that imported construction steels were the only products which 'had a significant bearing on the cost of the national motorway construction programmes' and that in consequence a 10 % levy would be raised to protect steels used in federal funded motorway construction programmes.

In these circumstances, what attitude does the Commission intend to adopt towards the USA during the talks in the OECD's Steel Committee ?

Answer

The Commission shares the honourable Member's concern at the increasing number of 'Buy American' regulations. Since the OECD's Steel Committee only very recently began its work, it is still too early to say whether and how it will tackle these problems. The Commission believes, however, that in the context of the Multilateral Trade Negotiations the code on government contracts will shortly provide a solution to some of the basic problems in this sector.

* * *

Question No 15 by Lord Bruce of Donington

Subject: Contributions to Community budget

The Commission has made available figures showing the net contributions of Member States to the Community budget in 1976 and 1977. It is understood that in the context of the EPC Report estimates were made of what Member States' net contributions would have been in these two years under the full own resources system. Will the Commission now publish these figures?

Answer

When the Commission published figures showing the net transfers between Member States in 1976 and 1977 (in answers to questions by Lord Bessborough and Mr. Cointat) we explained why they could give a false impression of the 'gains and losses' of Member States in the execution of the Community budget. The figures did however, have a certain validity because they showed what had actually happened. The Honourable Member is now asking for further figures which would be entirely hypothetical and would therefore be even more misleading. The Commission is not therefore willing to publish them.

* * *

Question No 16 by Mr Corrie

Subject: Italian legislation on wine-based alcohol

Is the Commission aware of the provisions of Italian decree law No 46 of 18 March 1976 and Italian ministerial decree of 24 August 1977 which provide for exemption of fiscal duty for wine-based alcohol originating in other Member States? Since this exemption does not apply to either cereal or cane-based alcohol would the Commission not agree that this Italian legislation contravenes the EEC Treaty?

Answer

The fiscal measures to which the honourable Member refers concern the Italian State alcohol tax. The Italian law originally provided that national wine-based alcohol should be exempt, while all imported alcohols, including wine-based alcohols, were subjected to State alcohol tax at a rate of 130 000 lire per hectolitre of absolute alcohol. The Commission took the view that this legislation violated the provisions of Article 95 of the Treaty, and therefore commenced proceedings against Italy under Article 169 by letter of 18 June 1976.

Italian decree law No 46 of 18 March 1976 (Article 20) and the Ministerial order of 24 August 1977 regulating its application were adopted by Italy in an attempt to eliminate the infraction by treating wine-based alcohols imported from other Member States (if accompanied by a certificate recognized by the Italian authorities) in the same manner as national wine-based alcohols.

The Commission was not able to accept the Italian view that this legislation eliminated the infraction, since:

- Article 20 of law No 46 is still not applied and would seem to be somewhat difficult to apply
- even if that provision were fully applied the infraction complained of would subsist since, in the opinion of the Commission, the system envisaged does nothing to regularize the matter of the taxation differential between wine-based and cereal-based alcohols.

Accordingly the Commission's reasoned opinion in this case (infraction A 37/76) was delivered to the Italian Government on 1 August 1978 and the Commission has now taken the decision to bring the case before the Court of Justice.

* * *

Question No 18 by Mrs Squarcialupi

Subject: Representation of COFACE

Can the Commission state the criteria for selecting representatives of COFACE — European Communities' Committee of Family Organizations — and indicate whether they are periodically replaced to take due account of the realities of European family life?

Answer

COFACE (European Communities' Committee of Family Organizations) is a private organization which, in common with many others, was constituted at the level of the nine Member States of the Community to foster contacts with the Community institutions. The Commission has not interfered — nor has it any right to interfere — with the politics or the internal workings of this organization.

COFACE itself will certainly provide anyone interested with information on its procedural rules, its list of members and how they are appointed.

* * *

Question No 19 by Lady Fisher of Rednal

Subject : Research into accidents at work

What efforts have been made by the Commission to promote European cooperation relating to research into accidents at work ?

Answer

The Council's resolution of 29 June 1978 on an action programme on safety and health at work (OJ C 165 of 11. 7. 1978) contains a list of 14 actions for the period up to the end of 1982.

The heading 'Accident and disease aetiology connected with work — Research' sets out the following action :

1. Establish, in collaboration with the Statistical Office of the European Communities, a common statistical methodology in order to assess with sufficient accuracy the frequency, gravity and causes of accidents at work, and also the mortality, sickness and absenteeism rates in the case of diseases connected with work.
2. Promote the exchange of knowledge, establish the conditions for close cooperation between research institutes and identify the subjects for research to be worked on jointly.

The Health and Safety Directorate, in conjunction with the Advisory Committee on Safety, Hygiene and Health at Work (OJ L 185 of 9. 7. 1974) and the Working Party on Research and Statistics, has drawn up a programme of work with the aim of making a start on — among other things — implementing the above two points.

As I said in my answer to Mrs Squarcialupi's question (H-391/78), the implementation of this programme of work will depend largely on the staff available.

* * *

Question No 20 by Mr Lagorce

Subject : Creation of a European Peace Research Centre

In 1966 the Swedish Parliament set up a Peace Research Centre (SIPRI), which has become world famous.

Since the main aim of the founders of Europe was, after all, to bring peace to this continent, does the Commission not feel that launching a study on the possible creation of a European Peace Research Centre would be a happy initiative, calculated to enhance its image with world public opinion ?

Answer

The Commission agrees with the honourable Member that one of the aims of the founders of Europe was to bring peace to this Continent.

The Commission does not at present have any plans for undertaking studies on the creation of a centre such as the honourable Member proposes.

It is possible that initiatives on the lines of that envisaged by the honourable Member could be taken within the framework of the European Foundation.

* * *

Question No 21 by Mr McDonald

Subject: Young farmers' exchange scheme

Given the widespread success for many years of educational exchange schemes in agriculture, will the Commission say why the young farmers' exchange scheme has been allowed to lapse? Does the Commission not agree that this is particularly regrettable in view of the recognized cultural as well as technical benefits of this scheme, and that this should have taken place at a time when European cooperation is becoming of increasing importance particularly among young people, and will the Commission take steps to rectify this situation as soon as possible?

Answer

Exchanges of young workers within the Community, as provided for in Article 50 of the Treaty of Rome, are currently governed by the measures decided on by the government representatives at the meeting of the Council on 8 May 1964.

The results of this programme have been very satisfactory in the economic sectors characterized mainly by small and family businesses particularly agriculture and fishing. However, even in these sectors, the number of exchanges has not exceeded 150 to 200 per year.

Analysis of the conditions in which exchanges have taken place, pilot projects in 1977-78 and consultations among those concerned (e.g. young employers' and employees' organizations and specialized bodies) have provided the basis for a second Community programme whose aims are as follows:

- to improve the conditions for longer-term, clearly job-orientated exchanges in undertakings;
- to introduce more variation into the kinds of assignment, and to encourage certain types of short-term exchange (particularly training courses);
- to develop a more general promotional activity among the organizations concerned with exchanges;
- to set up a consultative structure at Community level.

The Commission's proposal on this second Community programme, which complies particularly with the wishes expressed on a number of occasions by the European Parliament, will be submitted to the Council in the near future. Under heading 100 of the 1979 budget, the Council has approved a token entry of 650 000 EUA to finance the second Community programme.

* * *

Question No 22 by Mr Kavanagh

Subject: International Year of the Child and legislation relating to children in the Member States

Will the Commission immediately undertake a comparative study of the legislation relating to children in the Member States, in order to ascertain the differences in treatment and opportunities for children in the Community, as part of its contribution to the International Year of the Child?

Answer

It should be borne in mind that legislation relating to children in the Member States covers a very large number of different fields, such as social policy, health and welfare, education, civil law and the administration of justice.

The Commission has no plans — nor is it likely to have the resources — to undertake a comparative study of this magnitude.

The Commission wishes to point out that it has already undertaken comparative studies on a number of aspects of legislation relating, for instance, to family allowances and orphans' allowances granted under the terms of social security provisions, measures to protect young people at work, nursery schools, etc. Comparative studies are also being carried out on other aspects of child welfare by research institutes, universities and other international organizations.

* * *

Question No 24 by Lord Kennet

Subject : 'Buy back' deals with Eastern Europe.

Why has the Commission not sent to the Parliament and its appropriate committees copies of its survey of 'buy back' deals in trade with Eastern Europe ; and what is its opinion of the recent study on the same subject by the British General and Municipal Workers' Union ?

Answer

Research into this matter was undertaken by the Commission's departments in the light of the information available in the specialist press.

The conclusion they reached was that in relation to the Community's current demand for chemical base products there was no great cause for concern over the quantities and prices relating to the purchase commitments for the next few years, except with regard to urea and methanol, of which the Community is in any case a net exporter.

However, in view of the fact that the State-trading countries tend to insist on this type of contract, the Commission could perhaps start consulting both industry and the responsible bodies in the Member States with a view to assessing the possibility of Community action. The Commission has however not yet tackled this problem.

The Commission therefore feels that it would be of little use to provide Parliament with a document which, because of its preliminary nature, is no more than a working document for the Commission's departments.

The Commission has not yet had an opportunity to consider the study by the British General and Municipal Workers' Union.

* * *

Question No 25 by Lord Bethell

Subject : price rises of certain foodstuffs in the United Kingdom

Are the Commission aware that since June 1978 the United Kingdom price of butter has risen by 31 %, of sugar 37 % and of eggs by 41 % and are they aware of the effect of these price rises on public opinion *vis-à-vis* the European Community, and will they bear this in mind during the Agricultural Price Review ?

Answer

According to the latest official information available, consumer prices in the UK have risen between June and December 1978 as follows :

eggs + 9 %, butter + 10 %, sugar + 9 %.

These indices are considerably lower than the figures given in the question. There is no firm support price for eggs, therefore the CAP is not directly influencing this market.

The Commission is carefully observing the consumer reaction. As has already been explained to this House the Commission has regular meetings with consumer representatives. The Commission's new price proposals for the campaign 1979/80 also reflect how seriously we consider public opinion : we proposed no price increase in units of account and especially in the butter sector special measures to decrease the consumerprice level.

* * *

Question No 29 by Mr Herbert

Subject : Freezing of diesel oil

Are there any EEC regulations or directives relating to special additives to diesel oil so as to prevent it from freezing in sub-zero weather conditions ?

Answer

There are no Community regulations or directives in relation to the additives mentioned by the honourable Member.

* * *

Question No 30 by Mr Power

Subject : Microwave radiation

Due to public concern on the safety of microwave ovens, can the Commission state what studies, if any, it has carried out in this field and what its attitude is to the safety of such products ?

Answer

The Commission is aware of the fact that the growing use of apparatus emitting non-ionizing radiation and the rapid development of techniques using this radiation, as for example in the case of laser radiation, microwaves and ultraviolet radiation, can give rise to health risks.

In view of the fact that it has been possible, on the basis of the clearly defined competences set out in the EURATOM Treaty, to institute and carry out a proper health policy in relation to ionizing radiation, the Commission has examined the possibility of drawing up analogous measures in relation to non-ionizing radiation.

As far as the dangers resulting from the use of microwave ovens and other microwave apparatus are concerned, this examination has led, following exploratory studies and scientific consultations, to the drawing up of a draft Directive setting out basic measures relative to health protection for workers, and the population generally. In view of the fact that certain concepts and values in connection with protection against risks arising from microwaves have been questioned, this draft Directive was examined on February 2 last by the *ad hoc* group of scientific experts, in order to ensure that it takes account of the latest scientific knowledge in this matter.

The Commission intends shortly to submit this draft Directive to the Council.

* * *

Question No 31 by Mr De Clercq

Subject : Utilization of the resources made available under the second EEC-Greece Financial Protocol

Will the Commission propose, with a view to ending the delay in the application of the second EEC-Greece Financial Protocol, an *ad hoc* procedure for the immediate release for the benefit of the Greek economy of the financial resources made available under that Protocol ?

Answer

As, for reasons well known to the honourable Member, application of the second EEC-Greece Financial Protocol has been delayed, the Council has, on a proposal from the Commission, adopted a procedure for the speedy utilization of part of the resources. This procedure, which has been in operation since last December, should enable some 35 % of the resources made available under the Financial Protocol to be released during the first quarter of 1979.

* * *

Question No 32 by Mr Glinne

Subject : Eurofer

The resignation of two directors of Eurofer raises the question of the internal disorganization within that body. Can the Commission explain the situation and does it not think that, in the light of such disorganization, measures should be taken directly by the Community institutions rather than through a body of which the least that can be said is that it encourages cartelization in the iron and steel industry ?

Answer

Article 46 (1), Article 48 (3) and Article 61 of the ECSC Treaty require the Commission to consult the trade associations and undertakings in the iron and steel industry in order to direct its activities accordingly. The Commission, and the High Authority before it, have always carried out these consultations directly with the undertakings or the national trade associations. The internal problems of Eurofer therefore have no bearing on the success of the European anti-crisis measures.

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IN THE CHAIR: MR MEINTZ

Vice-President

(The sitting opened at 9 a.m.)

President. — The sitting is open.

1. *Approval of the minutes*

President. — The minutes of proceedings of yesterday's sitting have been distributed.

Are there any comments?

The minutes of proceedings are approved.

I call Mr Klepsch on a procedural motion.

Mr Klepsch. — *(D)* Mr President, I should like to make a personal observation concerning yesterday's sitting. Owing to other urgent business, I was unfortunately unable to take part in most of yesterday's debates. However, I wish to express my disappointment at the fact that this House yesterday delivered by a fortuitous majority an extremely one-sided opinion on crimes against humanity.

My group has therefore tabled a motion for a resolution which I have passed on to the President and

which will be duly referred to the Political Affairs Committee for consideration. The House will eventually be able to decide if it is really opposed to the idea that all crimes against humanity should be punished in like manner. My group regards this as unacceptable and regrets that fortuitous circumstances should have led to the adoption of such a declaration, motivated perhaps by an excess of emotion.

(Loud protests from the left)

Mr Seefeld has the right to interpret this in any way he likes. I have given you my point of view. My group's motion for a resolution is before the President and will be distributed today in accordance with the Rules of Procedure.

President. — I take note of Mr Klepsch's statement.

2. *Documents received*

President. — I have received:

(a) from the Council, requests for opinions on:

— the proposal from the Commission to the Council for a draft recommendation on the ratification of the International Convention for Safe Containers (CSC) (Doc. 627/78),

which has been referred to the Committee on Regional Policy, Regional Planning and Transport;

President

— the proposal from the Commission to the Council for a directive on own-account carriage of goods by road between Member States (Doc. 628/78),

which has been referred to the Committee on Regional Policy, Regional Planning and Transport ;

(b) a motion for a resolution from Lord Castle, Mr Prescott, Mr Patijn, Mr Dankert, Lord Murray, Mr Seefeld, Mr Vanvelthoven, Mr Schmidt, Mr Cot, Mrs Dahlerup, Mr Fellermaier, Mr Dondelinger, Mr Kavanagh and Mr Glinne, pursuant to Rule 25 of the Rules of Procedure, on the renewal of the trade agreement with Uruguay (Doc. 629/78),

which has been referred to the Committee on External Economic Relations ; and

a motion for a resolution from Mr Klepsch and Mr Caro, on behalf of the Christian-Democratic Group (EPP Group), pursuant to Rule 25 of the Rules of Procedure, on the condemnation of all crimes committed by totalitarian régimes (Doc. 630/78),

which has been referred to the Political Affairs Committee.

3. *Appointment and verification of credentials of a Member of Parliament*

President. — On 9 February 1979, the Danish Folketing informed me of the appointment of Mr Ib Christensen as a Member of the European Parliament to replace Mr Halvgaard with effect from 17 February 1979.

At its meeting of 14 February 1979, the enlarged Bureau examined this appointment and established, pursuant to Rule 3 (1) of the Rules of Procedure, that it conforms to the provisions of the Treaties. It therefore proposes that this appointment be ratified.

Are there any objections ?

This appointment is ratified.

4. *Transfer of appropriations*

President. — The Council has informed me that, at its meeting of 12 February 1979, it approved, pursuant to Article 101 of the Financial Regulation, a number of transfers of appropriations between chapters concerning Chapters 60, 61, 63, 66, 68, 69, 70, 45, 62, 65, 67, 73, 74 and 46 of the general budget of the European Communities for 1978. Due note is taken of this information.

5. *Procedure without report*

President. — I announced to you on Monday the title of the Commission's proposal to the Council to which it was proposed to apply the *procedure without report* laid down in Rule 27A of the Rules of Procedure. Since no Member has asked leave to speak and no amendments have been tabled to it, I declare this proposal approved by the European Parliament.

6. *Decision on a request for an early vote*

President. — The next item is the request for an early vote on the motion for a resolution on relations between the People's Republic of China and the European Community (Doc. 626/78).

I call Lord Kennet.

Lord Kennet. — Mr President, I would like to ask your permission to speak for about one minute on the question whether this resolution should receive an early vote. Yesterday, during the debate I put forward an amendment to the resolution on behalf of the Socialist Group. After discussion, the proposers of the resolution did not find it possible to accept the amendment. We met later privately and had quite a thorough discussion of the possibilities, and found that once again it was not possible for us to agree. The matter of it is that the resolution as it stands lays down a lot of commercial detail, and we feel that this is not appropriate just a few days before the President of the Commission goes to China and only two months before the Joint Committee is set up under the Treaty. So, in view of that, I would like to ask my Socialist colleagues to vote against the urgency, and I believe that I am in order in so doing.

President. — I put the request to the vote.

The request is rejected. Pursuant to Rule 25, second paragraph, of the Rules of Procedure, the motion for a resolution is referred to the appropriate committee.

7. *Votes*

President. — The next item comprises the votes on the motions for resolutions on which the debate is closed.

We begin with the *Laurain report* (Doc. 603/78): *Communication on the social aspects of the iron-and-steel policy.*

I put the preamble and paragraphs 1 and 2 to the vote.

The preamble and paragraphs 1 and 2 are adopted.

On paragraphs 3 and 4, I have four amendments which have to be taken together :

— Amendment No 9/rev., tabled by Mr Santer, Mrs Cassanmagnago Cerretti, Mr Van der Gun, Mr Bertrand, Mr Pisoni, Mr Vandewiele, Mr Bersani and Mr Caro and interchanging these paragraphs ;

— Amendment No 11/rev., tabled by Mr Santer, Mrs Cassanmagnago Cerretti, Mr Van der Gun, Mr Bertrand, Mr Pisoni, Mr Vandewiele, Mr Bersani and Mr Caro and inserting the following new paragraph after paragraph 3 :

3a. Regrets that, on 6 February 1979, the Council saw fit to limit to 28 million EUA the ECSC's additional resources for 1979 despite the fact that, on 19 December 1978, the governments had expressed unanimous support for all

President

aspects of the Community iron-and-steel policy, including the social aspects; therefore ask the Commission to submit to the Council a new request for additional financial resources for the ECSC so as to be able to cope with the social, regional and industrial consequences of the iron-and-steel policy without having to raise the ECSC levy;

— Amendment No 1/rev., tabled by Mr Albers on behalf of the Socialist Group and replacing the word 'inadequate' by the word 'inacceptable' in paragraph 4;

— Amendment No 10/rev., tabled by Mr Santer, Mrs Cassanmagnago Cerretti, Mr Van der Gun, Mr Bertrand, Mr Pisoni, Mr Vandewiele, Mr Bersani and Mr Caro and inserting the following new paragraph after paragraph 4:

4a. Emphasizes that the Commission's industrial programme, which was approved by Parliament, the Council and the ECSC Consultative Committee, must help to guarantee stable, well-paid jobs in the iron-and-steel industry, on the one hand by restructuring production capacities, and on the other by establishing genuine solidarity at Community level between employers and workers of the undertakings and mines as regards the job losses to be agreed;

What is the rapporteur's view?

Mr Laurain, rapporteur. — (F) Obviously, I fully endorse Amendment No 11/rev., deploring the fact that the Council has seen fit to limit instead of increasing the financial resources granted to cope with the social measures. It seems entirely logical to request that the financial resources necessary to carry out the social measures that we propose be made available.

As to Amendment No 1/rev., in supporting it I would explain my position as follows: The term 'inacceptable' is followed by the phrase 'inasmuch as this plan is not backed up by an industrial policy or by a social policy.' In this context it seems right to replace the word 'inadequate' by the word 'inacceptable'.

Coming now to Amendment No 10/rev., I would say that it appears to justify the current restructuring programme despite the fact that this is open to criticism, as I said yesterday, for a failure to make a proper assessment of the potential demand for steel both within the Community and worldwide. Moreover, talk of solidarity between employers and workers is unlikely at the moment to appeal to the trade unions, which are fighting for an improvement in working conditions and indeed to save jobs. Under these circumstances I feel that this amendment should be rejected.

President. — I put paragraph 3 to the vote.

Paragraph 3 is adopted.

I put Amendment No 11/rev. to the vote.

Amendment No 11/rev. is adopted.

I put Amendment No 1/rev. to the vote.

Amendment No 1/rev. is adopted.

I put paragraph 4, thus amended, to the vote.

Paragraph 4, thus amended, is adopted.

We now come to Amendment No 10/rev. I call Mr Caro for an explanation of vote.

Mr Caro. — (F) Whilst appreciating the spirit in which Mr Laurain has presented his report and in which he has defended or opposed the amendments, I must say, nevertheless, that I am very surprised by the remark he has just made. In the last part of this amendment we, together with Mr Santer, call for the establishment of genuine solidarity between employers and workers in the Community. Mr Laurain tells us — if I remember his words correctly — that such sentiments are unlikely to appeal to the trade unions, and that in such circumstances he sees no sense in pursuing this objective.

I ask myself what are we supposed to be doing here. Are we the elected representatives of the people, above the everyday tensions of our society, or should we be spokesmen for various interest groups, helping them to reach agreement and find a successful solution?

Everyone was agreed on the need for solidarity. Now here is a situation where we call for it, and because of some obscure reservations we are supposed to come out against it! In view of the importance of achieving such solidarity both on a national and European level, I appeal to Mr Laurain to weigh what I have said and to ask himself if he really has the right to oppose this amendment.

President. — Call Mr Albers for an explanation of vote.

Mr Albers. — (NL) Mr President, what the amendment is asking for is really a little strange: 'Community solidarity between employers and workers as regards the job losses to be agreed'. What we have to bear in mind is that people have to be made redundant, and in fact they are already being made redundant. I fail to understand therefore how a call can be made for Community solidarity between employers and workers. What we are concerned with is that we put a stop to these redundancies straight away, and that is the reason why my group will vote against the amendment.

President. — I put Amendment No 10/rev. to the vote.

Amendment No 10 rev. is rejected.

I put Amendment No 9 rev. to the vote.

Amendment No 9 rev. is adopted.

I put paragraph 5 to the vote.

President

Paragraph 5 is adopted.

After paragraph 5, I have two amendments :

- Amendment No 2/rev. II, tabled by Mr Albers and Mr Forni on behalf of the Socialist Group and inserting the following new paragraph :

5a. Recognizes that these objectives can best be achieved by the

- introduction of a flexible retirement age, beginning at 55,
- reorganization of shift work through the introduction of an additional shift, especially in the steel industry,
- the gradual reduction of the working week to 35 hours, combined with adequate measures to eliminate overtime ;

- Amendment No 12/rev., tabled by Mr Santer, Mrs Cassanmagnago Cerretti, Mr Van der Gun, Mr Bertrand, Mr Pisoni, Mr Vandewiele, Mr Bersani and Mr Caro and inserting the following new paragraph :

5a. Draws the attention of the governments and the Commission to the responsibility and autonomy of the social partners when concluding collective agreements on wages and working conditions ;

I call Mr Soury.

Mr Soury. — (*F*) Mr President, may I ask for an explanation in connection with amendment No 2/rev. II, which calls for the introduction of a flexible retirement age, beginning at 55. This seems to me to be highly ambiguous, leaving ample room for confusion. The steelworkers are looking for precise commitments, not flexible commitments. I should like to know what is meant by the Expression 'introduction of a flexible retirement age' ?

President. — I call Mr Albers.

Mr Albers. — (*NL*) Mr President, I explained this point during the debate. People are calling for a compulsory lowering of the retirement age, and we are of the view that the workers must not be forced to accept this. They must be free to choose whether or not they want to retire at an early age. That is what is meant by flexible.

President. — I call Mr Santer.

Mr Santer. — (*F*) Mr President, could we have the vote on Amendment No 2/rev. II taken in two stages : taking the first two indents first and then the last indent ?

President. — What is the rapporteur's view on these amendments ?

Mr Laurain, rapporteur. — (*F*) Mr President, we are coming now to the critical moment of the vote. No

text is perfect, but the programme before us contains a range of measures designed to safeguard employment in the steel industry, specifically by bringing forward the retirement age to 55, introducing a fifth shift or at least an additional shift, and, finally, reducing the working week to 35 hours.

I should point out that this is what all the trade unions are now urging. A growing consensus at European level may be observed in the last few months, and even the governments seem now to have accepted in principle that negotiations should be conducted along these lines. I read yesterday in a Lorraine local newspaper that Commissioner Davignon himself had expressed his readiness to examine with them the problems associated with the fifth shift, the 35-hour week for discontinuous processes and early retirement. According to Mr Davignon, the solution to these problems can be found only within a Community framework.

Well, now is the time for the Community, for our European Parliament to give its political backing to these demands and proposals. That is why I am in favour of Amendment No 2/rev. II.

Now I come to Amendment No 12/rev. and, as I see it, either it means that negotiations should be conducted freely by the trade unions, employers and governments (and this is what is implied in the rest of the motion for a resolution, since it speaks of negotiation), or else it means something different — namely, that the social partners — essentially the employers and trade unions — should negotiate freely, without the political backing of the European Parliament, without a clearly-defined negotiating basis, that is to say on the basis of measures set out in the preceding paragraph. Because of this ambiguity I oppose this amendment.

President. — I put to the vote the first two indents of Amendment No 2/rev./II.

These indents are adopted.

I put the third indent of this amendment to the vote.

The third indent is adopted.

I put Amendment No 12/rev. to the vote.

Amendment No 12/rev. is rejected.

On paragraph 6, I have Amendment No 13/rev., tabled by Mr Santer, Mrs Cassanmagnago Cerretti, Mr Van der Gun, Mr Bertrand, Mr Pisoni, Mr Vandewiele, Mr Bersani and Mr Caro and modifying this paragraph as follows :

6. In view of the above, requests all the parties involved, i.e., Member States, employers and unions, having regard to the member of redundancies to date and the prospect of further job losses, to initiate forthwith ... (rest unchanged)

President

I call Mr Santer.

Mr Santer. — (F) I withdraw this amendment.

President. — Amendment No 13/rev. is accordingly withdrawn.

I put paragraphs 6 to 9 to the vote.

Paragraphs 6 to 9 are adopted.

After paragraph 9, I have Amendments Nos 3, 4, 5, 6, 7, 8 and 15, tabled by Mr Ryan on behalf of the Committee on Budgets and inserting respectively the following new paragraphs :

- 9a. Considers that a better overall view could be had of the efforts being made to alleviate the social and economic problems in the iron-and-steel industry if total outlay, from Community sources, from Member States and from the EIB, was summarized in a comprehensive text ;
- 9b. Believes that a coherent approach to the medium-term solution of the difficulties entails a forward look in the form of multiannual estimates of the global level of outlay from all sources, and that, in this way, the budgetary effort involved could be set more clearly in perspective ;
- 9c. Notes with regret that the Commission has been slow to act in response to certain political wishes expressed by way of Parliamentary amendments to the budget, especially in regard to help in connection with crises in certain industries, and refers specifically to Article 375 of the budget ;
- 9d. Recalls that it has urged a better coordination of ECSC measures with other Community measures and EIB activity ;
- 9e. Reiterates its opinion that the need for additional financial resources for the ECSC operational budget makes it imperative that recourse be had to the customs duties on coal and steel products collected by the Member States ;
- 9f. Demands that the necessary steps be taken by the Council to make these customs revenues directly available to finance ECSC activities ;
- 9g. Urges the Commission to put forward, as soon as possible, clear and comprehensive proposals for the appropriations required out of the general budget of the Communities to finance the coherent policy needed to face up to the economic and social problems in the steel sector ;

What is the rapporteur's view ?

Mr Laurain, rapporteur. — (F) Mr President, this series of amendments represents a very valuable supplement to the set of social measures that we have just adopted. The budgetary articles are absolutely essential to enable the Council to finance the social measures adopted. For that reason, I am of course in favour of these additions.

President. — If the House has no objection, I shall put these seven amendments together to the vote.

Amendments Nos 3, 4, 5, 6, 7, 8 and 15 are adopted.

On paragraph 10, I have Amendment No 14, tabled by Mr Santer, Mrs Cassanmagnago Cerretti, Mr Van

der Gun, Mr Bertrand, Mr Pisoni, Mr Vandewiele, Mr Bersani and Mr Caro and rewording this paragraph as follows :

- 10. Instructs its President to forward this resolution to the Council and Commission of the European Communities.

What is the rapporteur's view ?

Mr Laurain, rapporteur. — (F) I am in favour. It is quite right that we should observe the rules and forward the resolution and not the explanatory statement.

President. — I put Amendment No 14 to the vote.

Amendment No 14 is adopted.

Before putting the motion for a resolution as a whole to the vote, those wishing to do so may give an explanation of vote.

I call Mr Soury.

Mr Soury. — (F) Mr President, as we come to the end of the debate I wish to say, on behalf of the French Communists, that we do not support this motion. This very morning my colleague, Mr Porcu, is away in Paris to discuss the problems of the steel industry with the Prime Minister, Mr Barre. He will be defending there the position held by steelworkers, and indeed by the entire population of a number of regions, who want to safeguard our steel industry. And here we are being presented with the arrangements for dismantling the industry — in other words, the 'Davignon Plan'.

We wish to reaffirm our profound disapproval of this policy of running down the industry, a disapproval shared by all the forces which we represent and which we are rallying to help save this key sector of the French economy.

The steelworkers and the population of the regions hit by the European plans for dismantling the steel industry are engaged in a great national battle. The fight will not be tainted by nationalism or xenophobia and will be fought on a European scale, since the solidarity of the workers of all the countries concerned will express itself in outrage at the Davignon Plan, which is nothing less than a conspiracy between the big multinational companies.

The motion for a resolution finally ratifies the redundancies, since nobody could be foolish enough to believe that the setting up of a few factories will do much to lessen the devastating effect of dismantling the steel industry throughout entire regions. To couple the redundancies with such measures including a sprinkling of social measures, would be to help the Davignon Plan achieve its aim. Under these circumstances, to vote for the resolution would be to run counter to the great national objectives for which

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entire regions are fighting. At this very moment, as we debate the issue in this House, a great campaign is being waged in the East and in the North of France, not to make redundancies more palatable, but to prevent them altogether by revitalizing the steel industry.

Let no one try and tell us that there is no other way. A different industrial policy is perfectly feasible and we included some specific proposals in the resolution we had put forward, which is attached to the report under discussion. Our proposals have not been accepted and those that we have now are completely opposed to our own. That is why we shall vote against the motion for a resolution.

President. — I call Mr Bertrand.

Mr Bertrand. — *(NL)* Mr President, I wish, on behalf of the Christian-Democratic Group, to make a more positive statement than that just made by the previous speaker. We, too, have tabled a number of amendments which have not been accepted. We could have reacted in the same way as the Communist Group intends to do, but we are not demagogues and do not sacrifice the workers' interests for the sake of a few party-political advantages, as the Communists do.

It was stated in yesterday's debate on behalf of the Communist Group that the national governments must solve their own problems, that they are authorized to do so. Well, the decision to dismantle the steel industry in Lorraine was taken by the French Government and is not contained in the Davignon Plan. This point has got to be cleared up, and in our view it should be stressed straight away, with all the emphasis at one's command, that the Davignon plan is a plan adopted by the Commission as a whole, not by one of its members in particular. It is the Commission as a whole that submits a plan, and Mr Vredeling's plan and Mr Davignon's plan are Commission plans in which all the currents of political thought present in the Community are reflected. I stress this point because the Parliament has to adopt a clear point of view. From a desire to give the Member States additional support and help them in their search for solutions marked by a spirit of Community cooperation and designed to safeguard employment and the future of our workers, the Christian-Democratic Group will vote for the resolution as it has been amended.

I know that this is only a small contribution to the solution of the problem as a whole. I was rapporteur in this Parliament on the question of the closing of coal-mines when more than 10 000 workers were laid off, and on that occasion too, thanks to the ECSC Treaty, we were able to give additional support so as to make the conversion possible.

Today we are doing the same in the steel industry, though in completely different economic circumstances: when the mines were closed, there was a boom, jobs were going, conversion was possible; today

there is a depression, there is unemployment and conversion is not possible. People seem to be forgetting this a little, and that is why I would say that the Council, as representative of the Member States, should once more shoulder its responsibilities. The Council has asked for 60 million units of account for the implementation of an overall plan entailing restructuring and concomitant social measures, and in my view it is irresponsible that the Council should refuse this money and so make it impossible, even in 1979, to carry out social measures which are absolutely necessary for the workers. There is no point in beating about the bush. The resolution now before us is an appeal to the Council to shoulder its responsibilities and abandon its hypocritical attitude to social policy in the Community.

(Applause from the right)

President. — I call Mr Pistillo.

Mr Pistillo. — *(I)* Mr President, I wish just very briefly to reaffirm the Italian Communist position with regard to this resolution.

Yesterday I explained our reasons for supporting the resolution, even though we were not convinced by all of the arguments advanced. We made clear our doubts about it, we appraised it critically and we put forward a number of points for consideration which I do not propose to go over again now.

I therefore am at a loss to understand the overemotional and sweeping attack by Mr Bertrand. We made our position very plain. It is our objective opinion that while the present proposals go some way toward solving sectoral and regional problems we still need an overall steel policy and the Davignon Plan certainly does not offer a solution to these problems.

Our support for the motion is therefore qualified by the reservations and considerations already stated.

President. — I call Mr Albers.

Mr Albers. — *(NL)* Mr President, my group found itself largely in agreement with the motion for a resolution in the form in which it was presented by the rapporteur. It became apparent during the debate how much trouble it must have cost to draw up the motion in this form. Once more we have succeeded in making it clear that the Commission's plans, in their original form, were, and must remain, unacceptable to us so long as the social aspects of the restructuring of the steel policy are ignored. We are glad that the resolution now clearly states, thanks to an amendment which has been adopted, that we must strive for the introduction of the 35-hour working week. We were particularly gratified to find the Christian-Democratic Group drop its original intention to modify paragraph 6, the one which states that a stop must be put to mass redundancies. — At any rate, the amendment concerned has been withdrawn. After all the improvements it has undergone, thanks mainly to the initia-

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tive of the Socialist Group, we shall whole-heartedly vote for this resolution.

(Applause from the left)

President. — I call Mr Cot.

Mr Cot. — (F) Mr President, I too am very pleased with this resolution, by which the European Parliament has responded — on a political level, of course — to the crisis and to the problems affecting the workers. Parliament is endorsing the demands of the workers engaged in the struggle, demands put forward in their name by the European trade-union organizations — that is to say, retirement at 55, the fifth shift and gradual reduction of the working week to 35 hours. I believe that this resolution will lend valuable political support to the workers in their fight.

President. — I put to the vote the motion for a resolution as a whole, as modified by the various amendments that have been adopted. The resolution, thus amended, is adopted.¹

(Applause)

President. — We shall now consider the motion for a resolution contained in the *Martinelli report* (Doc. 546/78): *Economic and trade relations between the EEC and Australia*.

I put the preamble and paragraphs 1 to 12 to the vote. The preamble and paragraphs 1 to 12 are adopted. After paragraph 12, I have Amendment No 1, tabled by Mr Martinelli and Mr Fitch and inserting the following new paragraph:

- 12a. Welcomes the inter parliamentary contacts established so far and hopes that a system of regular parliamentary contacts will be set up in the near future;

I put Amendment No 1 to the vote.

Amendment No 1 is adopted.

On paragraph 13, I have Amendment No 2, tabled by Mr Martinelli and Mr Fitch and rewording this paragraph as follows:

13. Instructs its President to forward this resolution and the report of its committee to the Council and Commission and to the Australian Parliament.

I put Amendment No 2 to the vote.

Amendment No 2 is adopted.

I put to the vote the motion for a resolution as a whole, as modified by the various amendments that have been adopted.

The resolution, thus amended, is adopted.¹

President. — I put to the vote the motion for a resolution contained in the *Hans-Werner Müller report* (Doc. 582/78): *Regulation on intra-Community trade in power-station coal*.

The resolution is adopted.¹

8. Regulation on the organization of the market in wine

President. — The next item is the report (Doc. 606/78) by Mr Pisoni, on behalf of the Committee on Agriculture, on

the proposal from the Commission to the Council for regulation amending Regulation (EEC) No 816/70, laying down additional provisions for the common organization of the market in wine.

I call Mr Pisoni.

Mr Pisoni, rapporteur. — (I) Mr President, the topic of wine has been the subject of many discussions in this House in recent months, and the resolution before us rounds off the proposals Parliament has already debated and approved.

What we have is a proposal from the Commission to the Council to improve still further the situation on the wine market by granting aid expressed in units of account to concentrated musts from wine-growing areas of the Community and exported to non-wine-growing areas for the manufacture of 'British wine' and 'Irish wine'. In an earlier document, the European Parliament had already requested that Community aid be extended to cover musts used in the manufacture of grape-juice, British wine and Irish wine. This proposal, therefore, helps to give practical expression to the intentions of the Commission and the opinions expressed earlier by Parliament.

What quantity of musts will benefit from this aid and be used for the manufacture of British and Irish wines and grape-juice? According to the Commission's calculations, based on comparative figures for production and consumption in these countries, we are talking of a figure of some 300 000 — 350 000 hectolitres of must per year. Since Community aid will be paid at the rate of 1 u.a./°hl, the total expenditure would thus be in the region of 3.25 million EUA per annum.

On the other hand, the consumption of concentrated musts for the manufacture of grape-juices is of the order of 1 million hl and so, as the aid in this case is paid at the rate of 0.50 u.a./°hl, the total expenditure is estimated at 5 million EUA. By these two forms of aid it is expected to remove some 1 350 000 hl of must — which is no mean quantity — from a wine market already in considerable difficulty.

¹ OJ C 67 of 12. 3. 1979.

¹ OJ C 67 of 12. 3. 1979.

Pisoni

Why is it to our advantage to give special aid to these products? Because otherwise some countries, in particular the United Kingdom and Ireland — and also Germany in the case of grape-juice — would purchase their supplies outside the Community on favourable terms, since they would not be subject to tax. As a result they would also escape levies — because of certain mechanisms — with the effect that the price that these countries paid for these products by importing them from Spain, Algeria or even Argentina would be about half the import cost. It is precisely to make the products from our own wine-growing areas more competitive that it has been decided to set up a system of aid. Such a system would at the same time ensure Community preference, which is so important if all products are to have equal access to the market.

I have taken the liberty of introducing an amendment which would extend Community aid to 'home-made wines', which is a typically British product. I recognize, however, that there are differing opinions on this matter. 'Home-made wine' is manufactured from grape-juice obtained from concentrated musts, to which are added yeast, sugar, alcohol and other ingredients. The result is a not particularly good mixture, but the fact that it continues to be manufactured in Britain means that it enjoys a certain popularity.

I therefore propose that aid be given to Community grape musts intended for the manufacture of such products. Those who object say that it would simply encourage the consumption of a 'synthetic' product at the expense of good wine. An amendment has been tabled which would delete my proposal. However, it is for the House to decide.

Of the other changes introduced in the regulation, one is intended to simplify the calculation of the amount of aid to be granted. The wording of the regulation as it stands is excessively complicated. It is proposed to make the price of Community grape musts practically the same as the price of imports from third countries. I do not suppose that there will be any objection to this proposal.

Another addition, which concerns the place of origin of the musts, takes up again a proposal contained in the action programme in the wine sector and refers to a decision already taken by the Council of Ministers, in accordance with which 'the grant of this aid may be reserved for concentrated grape must produced in Community vine-growing zone C III if the current trade patterns in concentrated grape must and blending wines cannot be guaranteed without this measure.' This is the Council's wording. By analogy, we should like to see the inclusion of the musts under consideration.

It now only remains for me to ask Parliament to approve the proposal for a regulation and the accompanying resolution and to congratulate the Commission

on the timing of its proposal, which takes a step further the work begun by the action programme in the wine sector, under which other measures are to be introduced in the future.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, during the discussion in this House on 14 December on the 1979-85 action programme concerning the wine sector, my colleague responsible for this area, Mr Gundelach, replied to Mr Pisoni that on the same day the Commission was adopting a proposal on the lines requested by him. I thank Mr Pisoni for the way he has approached this matter.

The proposal was for a system of aid for the disposal of grape musts and concentrated grape musts produced in the Community and intended for the manufacture of grape-juice and British and Irish wine. It is this proposal which Parliament is examining today, and I thank Mr Pisoni for his generally favourable report submitted at very short notice.

Turning briefly to the three amendments: in regard to the first, it is suggested that the aid for concentrated must be extended to other special products of which grape must is the main constituent. Mr Pisoni has explained that this is intended to increase the possibilities for marketing Community concentrated musts in the form of the product used as the basis for what the British call 'home-made wine'. I have listened very carefully to the arguments put forward, but I have reservations about thus extending the proposal. It would not be an aid for a commercial product, but rather for an activity which is more of a spare-time hobby. For that reason I would request the rapporteur to reconsider his suggestion.

I support the amendment reinstating the Commission's text of Article 1 (1).

I can agree to the amendment proposed by the rapporteur with regard to the criteria for fixing the aid and referring to the comparable level of the price of musts imported from non-member countries.

With regard to restricting the aid concentrated musts produced in wine-growing zone C3 of the Community — that is, in the most southern regions — I would repeat the arguments outlined here in December. The Commission made a proposal to this effect, and although it considers that the main beneficiaries will indeed be the producers in wine-growing zone C3, it would seem preferable not to incorporate such a restriction into actual legislation. I know the formula suggested by the rapporteur is identical to that adopted in December with regard to aid for musts intended for the enrichment of wine, but this does not mean that this is the best formula. For this reason I feel I must maintain the Commission proposal on this point.

President. — I note that no one else wishes to speak. The motion for a resolution, together with the amendment that has been tabled, will be put to the vote at the end of the sitting.

The debate is closed.

9. Directive on the abstraction of drinking-water in the Member States

President. — The next item is the report (Doc. 580/78) by Lord Kennet, on behalf of the Committee on the Environment, Public Health and Consumer Protection, on

the proposal from the Commission to the Council for a directive on the methods of measurement and frequencies of sampling and analysis of the parameters of the quality required of surface-water intended for the abstraction of drinking-water in the Member States.

I call Lord Kennet.

Lord Kennet, rapporteur. — I have great pleasure in introducing, on behalf of the Committee on the Environment, Public Health and Consumer Protection, this report to a packed and breathless House.

Once upon a time, the Commission looked around and, deciding that drinking-water was perhaps an object of competitive trade across frontiers within the Community, thought that there should be a directive harmonizing the standards of purity for drinking-water itself. Well, that was a highly justifiable and intelligent action, but from it have flowed various consequences. There have been three directives; this is the third on the subject to come before Parliament.

The first laid down the standards of purity for drinking-water. That is quite simple and comprehensible. The second laid down the standards of purity which were to be adhered to by Member States for surface water — rivers and lakes from which it was intended to abstract water for purification into drinking-water. That was perhaps a little less important, but it still makes some sense. The one before us now — I am sorry, I am going to test the interpreters rather highly at this point, so I will go very slowly — is a directive to harmonize the methods by which the purity of water from which it is intended to abstract water for conversion into drinking-water may be measured.

I would point out to the Commission that this is not the logical end of the road — they ought to go further. We ought really to have a directive in a year or two from now, after intensive study by working groups and specialized committees and commissions, and prolonged *marchandage* between Member State governments, for the harmonization of the methods of calibration of the instruments which are used to achieve the harmonization of the degree of purity of the water from which it is intended to abstract water to be purified into drinking-water. There is, of course,

an infinite regression from here, and I hope the Commission and Parliament will agree that we have now reached the end of the line. This is coming on for harmonization for harmonization sake.

I now turn very briefly to the content of the report. The Committee on the Environment, Public Health and Consumer Protection has asked for one change in the text of the draft directive, which is explained in my explanatory memorandum. There is a discrepancy between the preamble and the operative clauses of the Commission's draft directive. I hope and suppose that change will be acceptable, and on behalf of the appropriate committee, I commend the draft directive to the House.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, may I express my thanks to Lord Kennet for the interesting report now presented on behalf of the Committee on the Environment, Public Health and Consumer Protection. I shall briefly comment on the first three points of the motion.

I am quite aware of the technicality of the directive, but I hope you will agree also with me that a technical directive should contain technical details. Measuring is sometimes an art, and in the specific case we are discussing the result of any measurement can be quite misleading if some precautions are not taken. The aim of the proposed directive is to outline the general framework in which measurements, even if obtained by different measuring methods, lead to comparable results.

As far as paragraph 2 of the motion is concerned, the proposed directive implements the provisions of a previous Council directive concerning the quality required of surface water intended for the abstraction of drinking-water in the Member States. This directive, in its Annex II, lists 46 different water-quality parameters and their numerical values, but does not indicate the measuring methods and the frequency at which water samples should be taken. Without such provisions, no meaningful control of the enforcement by the Member States of the surface-water directive will be possible. The present proposals fill these gaps and align the surface-water directive with directives on bathing water and water suitable for fish life, which were adopted later by the Council and which all contain provisions on methods of measurement and frequency of sampling.

My last point concerns the proposed amendment to the ninth recital of the preamble. I can agree with Lord Kennet that there is a possibility of a contradiction in the wording of this recital as compared with that of Article 3. I can assure Lord Kennet and the Members of Parliament that the Commission will take the necessary steps to introduce this amendment in the Council.

President. — I note that no one else wishes to speak. The motion for a resolution will be put to the vote, as it stands, at the end of the sitting.

The debate is closed.

10. *Regulations on the carriage of goods by road*

President. — With the agreement of the rapporteur, I propose that the next two items be taken together in a joint debate.

Are there any objections?

That is agreed.

The next item is therefore a joint debate on the reports (Docs 604/78 and 605/78) by Mr Albers, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on, respectively,

the proposal from the Commission to the Council for a regulation on the adjustment of capacity for the carriage of goods by road for hire or reward between Member States

and

the proposal from the Commission to the Council for a regulation amending Regulation (EEC) No 3164/76 on the Community quota for the carriage of goods by road between Member States.

I call Mr Albers.

Mr Albers, rapporteur. — (NL) Mr President, it is as well that these two reports should be dealt with together, since in a sense one is complementary to the other.

The problem here concerns the execution of the plan, conceived some 15 years ago, for gradually replacing the existing scheme of authorizations between Member States of the European Community relating to the international transport of goods by road with a Community scheme characterized by Community quotas. This Parliament has had a great deal to do with these Community quotas, on which a modest start has already been made. On various occasions, the Commission has proposed that the share accounted for by these quotas be doubled, but the Council has never been prepared to follow the Commission in this: it has never gone beyond an increase of 20 % — on the last occasion it was only 10 % — while the European Parliament has unanimously taken the view that a doubling of the Community's share was essential if policy in this field was to have any real significance, for after ten years we have still got no further about 4 % of the total number of authorizations for the international transport of goods as the share accounted for by this scheme, and that percentage is, of course, much too low.

It also produced a poor impression when the President-in-Office of the Council stated this week, in reply to a question from Mr Seefeld, that any considerable extension of the Community authorization

scheme would only result in an overloading of the European road network. Nobody can believe that this was to be taken seriously when up till now only 4 % of the total number of authorizations have related to the international carriage of goods.

Because of the difficulty that Community transport policy is constantly failing in this field, the Commission has looked around for possibilities of improving the situation. In my view, it has succeeded, since although the present proposal for the issue of short-term authorizations for the moment only relates to a limited number of authorizations, its effect can be extended. Ten per cent of the authorizations can be converted into short-term authorizations of ten days each. Thus, one authorization can be converted into forty short-term authorizations, and this means that the smaller undertakings too will be able to make use of the scheme. It also means that, in cases where the carriage of goods is urgently necessary, the Commission can assist by issuing a short-term authorization. In this respect, therefore, one can speak of an improvement of the Community quota scheme. So much for Doc. 605/78.

Document 604 goes a little further. The Commission accepts the continued existence of the bilateral authorization scheme and of negotiations among the Member States over the issue of authorizations for carriage of goods by road, but makes it all subject to Community standards.

Each year the Member States must agree on the number of authorizations that can be granted, but at the same time they must respect certain Community standards. In particular, these relate to the actual transport needs, which, of course, are of great importance for the undertakings in this sector. The actual demand for transport has to be determined by a system of market monitoring, on which we are busy working in order to bring about a Community transport policy and which will help us farther along the road to such a policy. Market monitoring enables the Commission to keep an eye on the situation as a whole and see what is going on and to take steps if, for example, authorizations are going to undertakings that make no use of them. The idea is that the actual demand for transport will now be taken into account when authorizations are granted.

A second point is the effective use of existing capacities. This is also an important matter, for we are all too aware of the fact the big difficulties of transport — not only by road but also by inland waterway — are connected with over-capacity and in some cases with under-capacity. Now the Commission will be enabled to exercise an influence on this situation by determining these standards.

A third point is the actual level of transport rates charged. In the Community's transport policy, price policy too plays an especially important part, and it is

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therefore greatly to be welcomed that this standard is to be applied. Account must also be taken of the traffic that still takes place without Community or other quotas: this, be it noted, will continue to exist, and attention must be paid to the traffic that makes use of quota-free authorizations.

Originally we had some doubts, since we had the impression that the Commission was going to approve something that should no longer have existed, for, in the light of the Treaty, there should, strictly speaking, be no more talk of a bilateral authorizations scheme, only of a Community authorizations scheme. All in all, however, we have to admit that the Commission has been well advised in taking the road it has done in order to bring the transport of goods under Community control. As rapporteur for the Transport Committee I can therefore say that we welcome this proposal now that Community criteria for the issue of authorizations are to be applied and purely national conceptions of transport policy such as exist in the Member States can be prevented from setting the standard for the issue of these authorizations. Authorizations can now be adjusted to the real demand and over- and under-capacity can be forestalled.

One point that we raised in committee and on which I have proposed an amendment to the regulation concerns social standards and safety requirements. We took the view that these standards as well as the others should be taken into consideration by the Commission. We all know that a regulation exists laying down social requirements for freight transport, but we also know that this is often taken none too seriously by haulage contractors. Not only that, we know that not all Member States exercise any serious control. We therefore attach great importance — and this is expressed in our proposal for an amendment — to ensuring that the social and safety aspects are not neglected when assessing the authorizations to be issued.

What we have also objected to is that in the arbitration procedure, which naturally must be provided to cover cases where Member States fail to agree, the Commission does not have the last word but, once again, a Member State can at any time place the matter before the Council and the Council has to take a decision. In view of the way the Council operates, we are afraid that this will once more make it possible to block the Commission's decisions. We have, however, taken note of the fact that the Council, according to the regulation, must take its decisions by qualified majority: unanimity is not required. We in this Parliament hope that the Council will adopt this regulation and subsequently, when arbitration is required, will indeed make use of the qualified majority in order to reach a decision.

This new regulation also speaks of liberalizing transit over the territory of Member States. There will there-

fore be no more talk of quantitative transit, which is an excellent thing.

The Commission also asks for a mandate to negotiate with third countries. The Committee on Regional Policy, Regional Planning and Transport welcomes this wholeheartedly and wishes that, if the Commission gets its mandate and negotiations are opened, pressure is primarily brought to bear on the need for including technical and social provisions in these negotiations in an effort to improve conditions when drawing up agreements with third countries.

We regard this proposal therefore as a step in the right direction. On the subject of a Community transport policy, we have often discussed the question here whether a step-by-step policy is adequate. We would much prefer a frontal attack but all in all I must congratulate the Commission on the proposals now before us. I ask myself whether we should indeed regard them as merely a small step forward, since the result may well one day prove more important than we think now.

Mr President, I hope that the motion for a resolution will be adopted.

President. — I call Mr Jung to speak on behalf of the Liberal and Democratic Group.

Mr Jung. — (*D*) Mr President, the two reports presented by Mr Albers demonstrate very clearly once again how the Council of Transport Ministers has so far been incapable of working out of common transport policy. We have here small but significant pieces of evidence showing that national selfishness continues to dominate the situation on the European transport market. It is easy to see that bureaucrats in the national transport ministries have taken advantage of grey areas that have eluded the control of national parliaments. These bureaucrats have fallen victim to lobbying and have been sleeping comfortably in these grey areas for years without ever being disturbed by their ministers. We, as a Parliament, should make it plain, once and for all, that we are not prepared to put up any longer with this lack of action which has been the plague of the European transport market for so many years.

Just a few months ago, we considered a Commission proposal for an amendment to the regulation on the Community quota for the carriage of goods by road between Member States. At the time, it was proposed to increase the Community quota by 20 %. I said at the time that such a proposal was to be welcomed — Mr Albers has again said the very same thing — as a step towards that ideal situation in which there would be no bilateral authorizations and only a system of Community authorizations for a common transport market. At the time I expressed my regret — and I do so again now — that we are still so far away from that

Jung

situation. But, Mr President, progress could have been made over the years had the Council of Transport Ministers been active, which it certainly is not.

In its proposal for a regulation on the adjustment of capacity for the carriage of goods by road for hire or reward — and this itself is an admission of inability to make any progress in European transport policy — the Commission starts off on the premise that there is no hope of any change in the present situation unless and until the Council puts through supplementary measures. This is a scandalous situation and it must be exposed. Without these supplementary measures, carriage of goods between Member States must continue to be regulated purely by bilateral agreements between individual Member States. The Commission is quite understandably afraid that the effect of this will be not only to delay the implementation of a common transport policy but also to prevent increased trade and thus impede the common market. The Council of Ministers must be made to understand that this is nothing less than sabotage of the common European policy.

I should like to say at this point that the adjustment of capacity for the carriage of goods by road for hire or reward between Member States is not of course crucial to the realization of a common transport policy. There is a vast number of other, more important factors which have already been fully debated in this House on many occasions. It is a fact, however, that the lack of a common transport policy is preventing progress in integration and is endangering what measure of integration we have achieved so far.

In its draft regulation the Commission proposes that, until such time as a Community solution is found — I am tempted to say 'until Kingdom come' — during the transitional period the carriage of goods by road between Member States should be regulated by the present system of bilateral quotas (surely, this would be an admission of the failure of a common European transport policy) but placed within a Community framework and the quotas should be fixed on the basis of Community standards.

While understanding the Commission's position and appreciating that they are doing what they can to put forward solutions to the transport policy which will at least maintain the *status quo*, wholly unsatisfactory as that may be — to put it mildly —, one is forced to wonder if it is right to treat the problem of adjustment of capacity, and with it the problem of capacity utilization, in isolation.

We all know that the European road network is overloaded. It would seem logical, therefore, to explore ways in which the capacity of other modes of transport, especially the railways, might be fully utilized, for example by encouraging combined freight transport, including pick-a-back traffic. In view of the existing infrastructure problems in Europe, we are bound to look at this possibility. I pointed out earlier on that the broad lines of the Commission's proposal

should be welcomed, but that unfortunately we still did not have the conditions necessary for its satisfactory implementation. Nowhere in the Commission's proposal is there any reference to the failure so far to achieve harmonization of the conditions of competition among the haulage industries of the individual Member States or among the various modes of transport.

Quite clearly, the transport lobbies in the individual countries and their influence with the ministry bureaucrats have shown their strength. Above all, we still lack any effective Community provisions on the technical, fiscal and social levels. Mr President, it is high time we made some progress here, and this is the final appeal to the Council of Transport Ministers to take action at long last on the proposals before it.

In conclusion, I have this to say on behalf of the Liberal and Democratic Group: We want a common transport market. We must have it to safeguard what has already been achieved and to enable us to make further progress. It is our view, however, that we shall not achieve the aim of a common transport market so long as we concern ourselves solely with individual problems, which in any case we unfortunately cannot yet solve because the conditions are not right and which we shall not solve if we persist in treating them in isolation. From the transport policy point of view, we are much less concerned about the adjustment of capacity of one mode of transport than we are about the full utilization of the capacity of all modes of transport.

In this connection, may I just say a brief word about Mr Albers' second report. This report was adopted unanimously in committee. The Commission's proposal is for a conversion of 10 % of Community authorizations into short-term authorizations for a maximum of 10 days. This measure will enable small and medium undertakings — and these are our particular concern — to participate more fully in trans-frontier transport operations.

We can give our support to this report, even though we are again being confronted with piecemeal measures.

President. — I call Mr Nyborg to speak on behalf of the Group of European Progressive Democrats.

Mr Nyborg. — (DK) Mr President, on Mr Albers' two reports concerning the carriage of goods, which we are debating here today, I will, for convenience sake, make the following general remarks.

First of all, may I, on behalf of the European Progressive Democrats, state that we fully support these two reports. During a transitional period, we must try and regulate capacities at the European level if we are to achieve a free transport market as soon as possible. Community transport quotas are a means to this end, and in our view they should be considerably increased.

Nyborg

Mr Seefeld's question to the Council on Wednesday concerning the European Parliament's wish to see an increase of 100 % in the Community quota for the carriage of goods by road, whereas the Council had on an increase of no more than 10 %, failed to evoke a positive response from the President-in-Office, who could only state that the 10 % increase was the compromise on which the Council had managed to agree and that the Council, in reaching its decision, considered it important that the demand should be borne in mind and an overloading of the road network avoided.

What a load of rubbish! In the first place, a 10 % increase takes no account of the demand and, in the second place, it has scarcely anything to do with the road network. The total volume of Community — authorized transport is only 3 %, so that even if it had been doubled, it would still have only been 6 % of the total volume of goods transported. This would scarcely have made any difference to the burden on the road network. But I must say in this connection that the Commission, too, is not entirely free from blame for this turn of events, for, as far as I can remember, the Commission's proposal was precisely for an increase of 10 %, even though in previous years people in the Commission agreed with the Parliament that we needed to double the rate. On earlier occasions I have reproached the Commission with this, and I was told that the intention was now to conduct a more realistic policy and propose no more than could get through the Council. It is always, of course, possible to lower one's sights sufficiently to be sure of getting something through the Council, but all the same it is sad that the Commission should have completely lost courage.

The essential feature of the Community's transport policy — if, indeed, we can talk about a transport policy — must be the complete liberalization of the haulage contractor's trade, and the sooner that happens the better. The quota principle, whether at Community level or under the bilateral agreements, means office-work which is both intolerable and unnecessary to haulage contractors and results in an enormous waste of time. Further authorizations must be made to depend on a degree of utilization based on the kilometre-tons transported, since this indicates where such authorizations are seriously needed.

In the midst of unemployment, we must keep costs low so as to promote competitiveness in the world market, and this is the very opposite of what is implied by the Council's decision. This is particularly curious in view of the fact that the German Federal Republic is the country most sharply opposed to any further increase in the number of authorizations. Generally speaking, Western Germany is very cost-conscious when it comes to remaining competitive in the world market.

Incidentally, it is interesting to observe that whenever the Ministers of Transport express themselves individually, they are very optimistic about further liberalization of the transport sector, but when it comes down the reality and the Council have to take a decision, then it's another matter. We can support the proposal to introduce short-term Community authorizations, since in this way and in the given situation it will be possible to make more rational use of the existing authorizations.

With these few remarks, I wish once more, on behalf of the European Progressive Democrats, to recommend that we vote for the proposed regulation now before us.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, the valuable support that this Assembly gives us once more in approving the proposal submitted to you in Doc. 604/78 will allow us to ask the Council even more firmly at last to give a Community character and content to the fixing of bilateral quotas that Member States agree between themselves each year for the carriage of goods by road, for hire and reward. In fact, our proposal aims not only at the annual adjustment of bilateral quotas to the needs of transport by means of negotiations between Member States concerned, but also at the attainment of this adjustment following Community standards with the participation of the Commission and the Commission's decision in cases of disagreement.

The needs of transport will be based on indications provided by the market observation system set up at Community level. Your committee is of the view that among the parameters for fixing quotas the criterion of respect for social and safety provisions should be incorporated in the observation system. Now although I understand perfectly well your committee's concern and I would like, just like the committee, to make carriers who do not respect the social and safety rules avoid our roads, I wonder whether it is wise to introduce non-quantifiable social and technical parameters into a system made up of parameters designed to fix the size of quotas. Therefore I cannot easily see how a social criterion could in this context be an element affecting the decision. It seems to me that it is economic criteria only that will determine the level of authorization which effectively meets the needs.

The social regulation for the transport sector is now in force, provides that operators who do not respect the provisions in relation to working conditions be fined; in the case of repeated infringements, the authorization for international transport is withdrawn. As far as Member States which do not apply the social regulation are concerned, the procedure provided for under Article 169 of the Treaty is applied. For these reasons I cannot accept the amendment.

Burke

May I reply to Mr Jung by saying that the Commission does not adopt an attitude of resignation: in fact, it pursues a Community solution for the fixing of quotas by setting up common criteria such as those described in the proposal for a regulation.

Turning to Doc. 605/78, may I say that the aim of the proposal is to allow Member States to change a maximum of 10 % of their Community authorizations valid for one year into short-term Community authorizations of about ten days. A Community authorization could thus be changed into 40 short-term authorizations. By this proposal, the Commission wishes to introduce the possibility for the Member States to issue short-term transport authorizations especially to satisfy occasional multilateral transport requirements covering a very limited period, and progressively to insert a greater number of transport undertakings into the multilateral transport process.

I appreciate your committee's constructive support for this proposal and indeed for the previous one which I have discussed, and I would congratulate the rapporteur and the speakers on behalf of the various groups and join with them in emphasizing that it contains certain advantages both for road hauliers and for users.

May I take the liberty of correcting one impression which seems to be prevalent in the House, by emphasizing, that the Community quota represents 6 % of the total volume of road transport between the Member States.

President. — I note that no one else wishes to speak. The motions for resolutions, as they stand, will be put to the vote at the end of the sitting.

The debate is closed.

11. *Titanium dioxide and 'red mud'*

President. — The next item is the oral question without debate (Doc. 596/78), by Mrs Squarcialupi and Mr Veronesi to the Commission, on more rational production cycles for titanium dioxide and the use of 'red mud':

Following the new guidelines laid down by the EEC Council of Environment Ministers to ensure interdependence between ecological protection and the safeguarding of employment, what is the Commission's opinion of the possibility of eliminating the adverse ecological and economic consequences of 'red mud', having regard to the following solutions which were recently discussed in various scientific centres:

- use of titanium dioxide residues to make clay soil suitable for cultivation;
- use of more rational production cycles such as those elaborated by some of the Montedison works councils and the Donegani Institute, and adopted by the national union of chemical workers and the Piedmont and Lombardy regions, which allow fuller

use to be made of the raw materials, a drastic reduction in the overall volume of pollution and a reduction in energy consumption with a decrease in costs and increase in employment?

I call Mrs Squarcialupi.

Mrs Squarcialupi. — (I) Mr President, Mr Commissioner, it would appear that titanium dioxide has become one of the indispensable ingredients of some part-sessions of the European Parliament, since it also came up during the last part-session and on the Friday, too. Thanks to what we have called 'red mud', the argument has become highly unpopular: It is a pollutant and it tends to distort competition between those producers who take steps to prevent pollution and those who do not care or are exempted. Added to this now is the serious threat of unemployment, particularly in Italy.

The question of titanium dioxide has been under investigation for some years now. Come to think of it, the term 'under investigation' is not entirely appropriate. 'Has been under desultory investigation' would be more accurate, and 'has been hardly investigated at all' would be still closer to the truth. It first attracted attention when the discharge of red mud into the Mediterranean aroused a wave of indignation among fishermen, especially French fishermen.

The subject of titanium dioxide is before the House again today because this time I am spokesman for a proposal which comes from the people most directly concerned — that is, the workers. Using their specialized experience and being at the same time fully aware of the need to do everything possible to protect their own jobs, they have worked out new methods for rationalizing the processing of titanium dioxide. The works councils at five Italian Montedison plants have submitted a proposal setting out how suitable techniques can be used to ensure proper use of resources and also, therefore, economic production. Those whose sole aim is to derive the maximum profits eventually become so blinded that they can see no way out of the situation in which they find themselves. However, those workers who live only if they work are able to look at these problems, if I may say so, much more thoughtfully, much more competently and much more intelligently. The workers of the five Italian plants found out something which to an expert should be obvious enough: that the titanium dioxide constitutes but 10 % by weight of all the elements obtained during the production cycle. In effect, then, 90 % of the material produced is discarded and contributes to the pollution that is a recurring theme in the debates in this House, despite the Community directive. Unfortunately, the directive is couched in such vague terms that it leaves the door wide open to exemptions.

Squarcialupi

My proposal is based on the known fact — which I shall endeavour to explain as briefly as possible — that the production process consists in producing titanium. During the process, the titanium is extracted and the iron is together with the sulphuric acid used in the extraction process. This is the origin of the 'red mud' — red because it contains iron. The workers, however, are suggesting a process which they have researched and which approaches the problem from a completely different angle. They suggest that the titanium dioxide could be produced from the slag obtained by extracting iron from ilmenite ore. This would mean that the titanium dioxide industry could be situated downstream of the iron-and-steel industry and use the slag from it.

The advantages are obvious to anyone who cares to understand them, even though not everyone does. Resources would be more fully utilized. From ilmenite ore we could obtain not just titanium dioxide, as we do now, but also steels, non-toxic ferrous pigments, manetic materials and other products. At the same time, we should be rid of the polluting red mud and bring about an overall reduction in energy consumption in the production cycle. In short, the problems associated with titanium dioxide production would be largely resolved. I have the complete documentation on the production cycle suggested by the five Montedison works councils in collaboration with a highly-respected scientific institute, and this production cycle has been developed by two of Italy's great industrial regions, Piedmont and Lombardy. Obviously I cannot read it out to you, not wishing to add to the interpreters' problems by expecting them to do such a difficult translation, but I have lodged a copy with the Office of the President and I shall send one to the Commissioner.

Mr President, we all realize — and this is really what I was coming to, why we should always be receptive to views and ideas from the grass roots — we realize that none of the programmes and systems devised by the best engineers, the best experts and the best chemists could be applied without the experience and intelligence of the workers. All rules and all production systems may seem perfect, but it is only because the worker uses his intelligence that the underlying imperfections do not come to light. To illustrate my point: A work-to-rule is as effective as any form of strike action. Look at the customs officers' strike, the strike by the judiciary, the pilots' strike, all of which relied on strict adherence to the letter of the rules. What this means is that any production system or any set of rules can be rendered useless if the working class chooses not to give it its support, not apply its intelligence and not give it the benefit of its experience. The case of the red mud and titanium dioxide is a case in point. It would be foolish not to bear this in mind, because, as I said at the beginning, the theme recurs too often in these discussions and when a

theme recurs this often one may reasonably conclude that it has been tackled wrongly and that there is a lack of will to resolve it.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — May I begin, Mr President, by accepting the importance of the matter of pollution and observing that, although I do not have in the Commission particular responsibility for the environment, I have a transport Commissioner responsibility for matters dealing with the wider pollution of the sea by other products, so I sympathize with the general attitude and commend the honourable Member for bringing this to the attention of the House.

I would point out to the House that a year ago, on 20 February 1978 in fact, the Council adopted a directive on waste from the titanium dioxide industry, the aim of which is the prevention and progressive reduction, with a view to elimination, of pollution caused by this industrial sector. One article of that directive explicitly provides that Member States shall take appropriate measures to encourage the prevention, recycling and processing of waste, the extraction of raw materials and any other process for the re-use of waste. During the preliminary work on the preparation of the directive and with a view to ensuring that the Member States were able to respect such a duty, the Commission studied the industrial sector concerned and its environmental impact in depth. The results of this study have been published by the Commission in its publication 'Environment and the quality of life' under the number EUR 6024. This study examined, among other things, the solutions mentioned by the honourable Members in their oral question, and it concluded that such solutions would seem to be uneconomical. In keeping with the spirit of the directive, the Commission considers that the Member States and the producers of titanium dioxide have to choose for themselves the most appropriate technology for recycling waste, taking into account the technical, economic, national and local circumstances and the environmental conditions.

President. — This item is closed.

12. Consumption of tobacco

President. — The next item is the oral question without debate (Doc. 422/78), by Lord Kennet to the Commission, on the consumption of tobacco:

Could the Commission give an estimate, for each of the Member States, of the total cost to

- (a) public funds,
- (b) the economy,

President

of the consumption of tobacco (smoking, chewing and sniffing), including therein the most accurate estimate possible of capital and current expenditure on medical services (both public and private), hospital building, medical education, the pay of ancillary medical staff and anti-smoking campaigns, etc., and state how much revenue is earned from the taxation of tobacco?

I call Lord Kennet.

Lord Kennet. — Mr President, I don't think we need to run through the familiar litany of the horrible diseases which smoking gives people: we have known now for some 25 years about the link with cancer, and ever since then each year brings its new crop of links established with one complaint to another. What is not so widely inquired into and so widely understood as the medical situation is the economics of the medical situation, and that is what my question is about.

There is plenty of reason to see why governments are a little slow in thinking about this. Every Member State government, every government in the world relies very largely for its revenue for all the good things and all the bad things that it does — its revenue for its armed forces, for the police, for the roads, even of course for the hospital services themselves — on tobacco taxes, and if anything were to come about which really reduced the consumption of smoking, it would be necessary to find alternative sources of revenue, which would be politically extremely difficult. Therefore governments approach this matter, shall we say, half-heartedly. That is understandable, and as to the weight of tobacco advertising and the obvious inability or unwillingness of governments to curb tobacco advertising — except in one or two fortunate countries where they don't have it anyhow and never have — this liability or unwillingness makes it still more unlikely that the matter I seek to raise will be gone into in a scientific manner.

I have a question to the Commission, which asks for certain factual information. It asks the Commission what is the cost to public funds of looking after all those sick people and it asks what is the cost to the economy of looking after all those sick people. Now, obviously, I don't expect Mr Burke to get up in two minutes time and say the answers are (a) 2 300 and (b) 3 200 thousand million. Nobody could do that. The purpose of my question is to ask whether the Commission might, beginning now, start to think about a rather major inquiry into this question of health-service economics. It would be of the greatest interest. I don't think it has really been done anywhere in the world; it has not been done, as far as I know, in any of our Member States, and that being so, would it not be possible to get the agreement of the Member States that it should be done for the first time in Western Europe on a Community basis? It is a common

problem and it is the kind of matter where, politically, whoever gets the result first will be applauded by everybody. Nobody is going to resent Commission intrusion in this field.

The essence of the matter is this. If I smoke too much throughout my life, if I smoke heavily throughout my life, I pay *X* units of account in tobacco tax. If I then get cancer, thrombosis, bronchitis and all the usual results of heavy smoking I shall be off work, I shall be in hospital for a certain number of months or years and I shall die young, and the economic effects of those three things are what I am after. First of all, how much does it cost the State to keep me in hospital? How much has it cost the state to educate the doctors and nurses who will care for me? How much does it cost the state to build the hospital? How much does it cost the state to run the hospital, to provide the roads along which supplies must come to the hospital? How much does it cost the State to educate the medical ancillary staffs who work for the hospital? How much does it cost the State to educate the miners who dig the coal to heat the hospital? And so on and so forth. These are all familiar problems of economic and budgeting analysis, but they have not yet been applied in this field. Then, assuming I do not get better — as of course I shall not, if that is what I have got — how much does it cost the state to pay me sickness allowance while I am off work? How much does it cost the State to bury me in the manner to which I am accustomed, and how much does it cost the State to pay my wife and children the pension that it will provide? All these facts are recoverable, but of course only at immense cost in academic labour.

Beyond that again, how much will it cost society — not the State but society as a whole — how much will it cost the economy of my country that I must finish my useful working life at, shall we say, forty instead of at sixty and that I must die at fifty instead of at seventy? I would say there is a slight credit there. If I die earlier I shan't have to be paid an old-age pension: that will not have to be borne by the economy.

I do think, Mr President, that these things are worth enquiring into and worth setting against the revenue which comes to the State from tobacco taxes. If this work were done, I should not be surprised if we were to find that at the end of the day the mere existence of tobacco-smoking — or at least cigarette-smoking, the most harmful part of it — was a drain on public funds I remember some twenty years ago a calculation being made — whether it was correct I do not know, and whether, if correct, it is still true I do not know — that the French State was breaking about even on alcohol, that just about the totality of the revenue from alcohol taxes went in caring for the alcoholics. I am sure that is no longer the case, but at any rate the French academic and governmental machine had taken the trouble to find out something about this.

Lord Kennet

We have none of us taken the trouble yet to find out about tobacco, and I hope it can be the Commission to do so. Perhaps, Mr Burke can say, yes, we will look into the possibility of doing so; then, if I put another question down in six month's time, perhaps he can say, yes, we have agreed on the form of a study; and then, if I put another question down in two-and-a-half years' time — if I am here, which I shall not be asking what is the result of the study, perhaps Mr Burke or his successor will be able to stand up and say, the result is such and such.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — First of all I would like to thank Lord Kennet for raising the matter here this morning, and I would recall that I was involved with Mr Vredeling, who has responsibility for the greater part of the area in question, in a debate in this House on 17 January 1978, to which I would refer honourable Members. In that debate I gave some figures for tax revenue from tobacco, and I think that that particular debate was a very useful start to the discussions which we are now continuing.

May I say that the questions raised by the honourable Member involve a large number of problems connected with health, economic and public finance policy, and I would remind him that the reply to his Written Question No 463/78, which is formulated in exactly the same terms as the present question, was published in the Official Journal No C 5 of 8 January 1979. In that reply he will find figures concerning tax revenues from tobacco in the Member States. These are figures which, as I mentioned, were also given in this House by me on 17 January 1978 in response to a question raised by Mrs Squarcialupi.

In addition, I would add the following remarks to what the Commission has stated in its written reply to Question No 463/78. On the basis of a decision adopted by the Ministers of Health on 13 December 1977, the Commission has put in hand a number of preparatory projects in the field of health education, with particular reference to abuse of tobacco and to nutrition. Although the Commission has some information on the cost of health education campaigns, it is not yet able to present an adequate range of facts and figures. I undertake to inform the honourable Member as soon as these become available. I would also like to inform the House on this occasion that the second Community meeting of Health Ministers held on 16 November 1978 stressed the paramount importance of health education as part of general policy on health and called upon the Commission to organize an exchange of views with Member States on the general question of health education campaigns, with particular reference to nutrition and to the use of tobacco. A meeting with national experts will take place next May. The Commission further proposes to

carry out a survey and the House will be informed of the results as soon as they are available.

The study requested by Lord Kennet would, as I am sure he appreciates more than many in the House, be a very sophisticated analysis based on an input-output matrix with sectors disaggregated in such a way as to identify the effects of certain forms of behaviour. While undertaking to convey to the Commission the tenor of this debate, I believe that it will be extremely difficult even to design such a comprehensive study, not to speak of carrying it through. However, I undertake to examine the question with sympathy, because I am myself, as you probably will have read in the 17 January 1978 debate, pretty much *engagé* of this question, and I will try and help him and the other Members of the House, whose support in these matters I very much appreciate, as much as I can. I would just make the final point that because of the small number of people we have working in this section, we have to put our emphasis on the priorities chosen for us by the Ministers of Health, but with that expression of the constraints upon us I will undertake, to Lord Kennet and the other Members of the House, sympathetically to examine this matter in the next six months or so.

President. — This item is closed.

13. *Gynaecological examinations by immigration authorities in the United Kingdom*

President. — The next item is the oral question without debate (Doc. 600/78), by Mrs Dahlerup to the Commission, on gynaecological examinations by immigration authorities in the United Kingdom:

It has been alleged by the newspaper *The Guardian*, and not denied by the British authorities, that immigrant women are being subjected to intimate gynaecological examinations (the so-called 'virginity tests') in order to identify women attempting to enter the United Kingdom illegally.

Such a procedure constituting a serious violation of human rights, in particular of the rights of women, and being, in consequence, in conflict with the principles laid down in the Treaty of Rome, will the Commission protest immediately in the strongest possible terms to the British Government and demand the discontinuation of this practice?

I call Mrs Dahlerup.

Mrs Dahlerup. — (DK) Mr President, I begin by referring to the written justification included in my question to the Commission. The outrages against decency and the discrimination here involved are, in my view, extremely serious. This is a procedure which has applied only to women, and we must bear in mind that there has been no talk here of procedures that were designated to help these women or were essential or even useful elements of proof. That a

Dahlerup

women is technically, a virgin is not tantamount to, or proof of, her not being married. Conversely, that a woman is technically not a virgin offers no proof at all of her being married.

It has also been mentioned in the press that women are being examined to see whether they have had children, and this is as offensive as it is foolish. If a woman has given birth, this by no means proves that she is a mother and consequently bears a responsibility for a child. She may have lost the child, she may have lived through such a tragedy; the tests referred to are doubly hard to bear.

The best yardstick for a society's cultural and democratic standards is the way it treats women. I am convinced that the humiliating and offensive treatment to which women have been exposed by the immigration authorities in Great Britain is entirely at variance with the attitude of the British Labour Government, but it is every government's duty to ensure that its servants do not usurp rights and powers which are at variance with the government's or society's intentions. This discriminatory and offensive treatment must cease forthwith, and I hope that the Commission will help to this end.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, the Commission has on numerous occasions underlined the importance which it attaches to the respect of fundamental rights throughout the world. It would hope that Member States would take the lead as far as the respect of fundamental rights of people from third countries is concerned. The Commission has, however, no legal power to intervene in cases of violation of fundamental rights in areas which are not directly or indirectly covered by Community law.

This is the situation in the case in question. It appears that the tests which it is claimed have been carried out at the request of the United Kingdom immigration authorities were exclusively applied to immigrants from third countries. In keeping with its general position with regard to the respect of fundamental rights throughout the world, the Commission would deplore such tests. If any evidence emerged that such tests were carried out on nationals of Member States of the Community, the Commission would have to look very carefully to see whether the Community rules on free movement and, in particular, Directive 64/221 concerning public order and health were being respected.

Our position in regard to the rights of nationals of non-Member States must be consistent with this position. As far as the Commission is aware, the tests have now been stopped.

President. — This item is closed.

14. Clemency for the life of Mr Bhutto

President. — The next item is the motion for a resolution (Doc. 621/78), tabled by Mr Dankert on behalf of the Socialist Group, on an appeal for clemency for the life of Mr Bhutto. I call Mr Albers, who is deputizing for Mr Dankert.

Mr Albers. — (NL) Mr President, from the unanimous adoption of urgent procedure for this resolution, it would appear that the Parliament supports the request it contains — a request to its President to ask the governmental leaders of Pakistan to spare the life of Mr Bhutto. A similar request is being addressed to the President of the Commission and also to the President-in-Office of the Foreign Ministers meeting in political cooperation.

Mr President, I need say no more on the matter. It is good that the European Parliament should not remain silent but rather join those who are trying to save the life of this politician.

President. — I call Mr Burke.

Mr Burke, Member of the Commission. — Mr President, the Commission is discussing possibilities for action in this matter at a special meeting being held this morning in Brussels. I cannot yet say what the Commission's conclusion has been as to the particular form of the action which it will take, but I can assure the House that the Commission is considering making a statement. I would support the initiative of the House in this matter.

President. — I note that no one else wishes to speak. The motion for a resolution, as it stands, will be put to the vote at the end of the sitting.

The debate is closed.

15. Votes

President. — The next item comprises the votes on the motions for resolutions on which the debate is closed.

We begin with the *Pisoni report (Doc. 606/78): Regulation on the organization of the market in wine*.

We must first deal with Amendment No 1, tabled by Mr Ligios, Mr Brugger and Mr Pucci to Article 1 (1) of the proposal for a regulation and reinstating the text of the Commission.

What is the rapporteur's view?

Mr Pisoni, rapporteur. — (I) After what has been said here, by the Commissioner in particular, I take a favourable view.

President. — I put Amendment No 1 to the vote. Amendment No 1 is adopted.

I call Mrs Dahlerup for an explanation of vote.

Mrs Dahlerup. — (DK) Mr President, I do not intend to vote for this motion, even though it has my unqualified sympathy. I was concerned in the opinion adopted on this question by the Committee on Budgets and therefore cannot vote in favour, even though I am very much in sympathy with the motion. The Commission may in future supply economic information of fundamental importance, and then we shall be in a position to follow the probable budgetary consequences of all proposals which have financial implications. This is the case with this proposal. With these few remarks I would refer to the opinion as a whole of the Committee on Budgets and state that I cannot vote for the proposal.

President. — I put the motion for a resolution to the vote. The resolution is adopted.¹

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President. — I put to the vote the motion for a resolution contained in the *Kennet report (Doc. 580/78): Directive on the abstraction of drinking-water in the Member States.*

The resolution is adopted.¹

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President. — I put to the vote the motion for a resolution contained in the *Albers report (Doc. 604/78): Regulation on the adjustment of capacity for the carriage of goods by road.*

The resolution is adopted.¹

¹ OJ C 67 of 12. 3. 1979.

President. — I put to the vote the motion for a resolution contained in the *Albers report (Doc. 605/78): Regulation on the Community quota for the carriage of goods by road.*

The resolution is adopted.¹

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President. — I put to the vote the *Dankert motion for a resolution (Doc. 621/78): Clemency for the life of Mr Bhutto.*

The resolution is adopted.¹

16. Dates of the next part-session

President. — There are no more items on the agenda. I thank the representatives of both Council and Commission for their contributions to our debates.

The enlarged Bureau proposes that our next sittings be held at Strasbourg during the week from 12 to 16 March 1979.

Are there any objections?

That is agreed.

17. Approval of the minutes

President. — Rule 17 (2) of the Rules of Procedure requires me to lay before Parliament, for its approval, the minutes of proceedings of this sitting, which were written during the debates.

Are there any comments?

The minutes of proceedings are approved.

18. Adjournment of the session

President. — I declare the session of the European Parliament adjourned.

The sitting is closed.

(The sitting was closed at 11.15 a.m.)

¹ OJ C 67 of 12. 3. 1979.

